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The Washington Monthly

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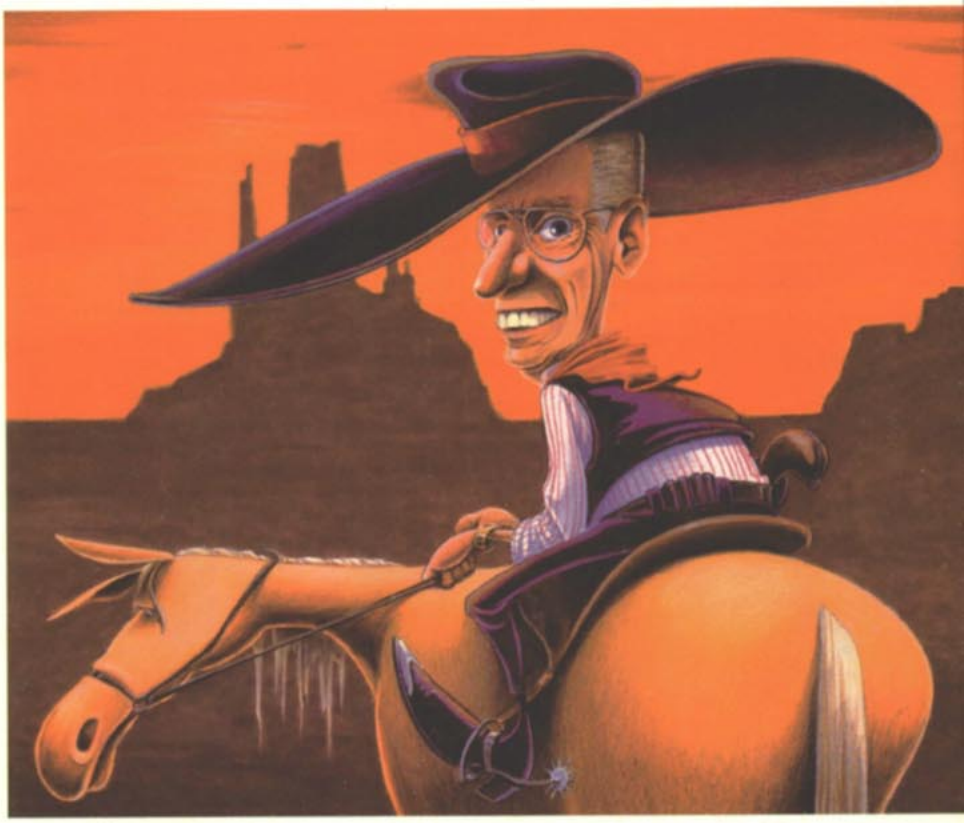
By L.J. Davis



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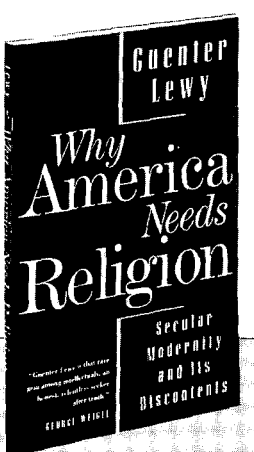

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Contents

The Washington Monthly

Volume 29, Number 3 • March 1997

Features

4 TILTING AT WINDMILLS
Psychic Spooks. . .The Breaking Point Task Force. . . Bubble-Gum Mechanics. . .Tom Cruise at the OMB. . . Big-Hair Bigots
BY CHARLES PETERS

8 **The DOE's Dirty Laundry**
Is a technologically unqualified DOE sabotaging its own nuclear cleanup efforts?
BY SIMON WALSH

12 **It's Not As Bad As You Think It Is**
Misguided handwringing about our society's decline distracts us from the real crises.
BY NICHOLAS LEMANN

14 **The Right to Default**
When did bankruptcy become an accepted fixture of everyday life?
BY MICHELLE COTTLE

20 **How C-SPAN is Getting Screwed**
Greed is the enemy.
BY BRIAN LAMB

23 **The Myth of the Two-Front War**
Over-preparing for a two-front war that will almost certainly never occur is costing us billions.
BY LAWRENCE J. KORB

28 **Will Charlie Keating Ride Again?**
Congress is once again looking at banking deregulation. Will it ignore the lessons of the past?
BY L.J. DAVIS

36 ART & POLITICS
Take Two Prozac and Don't Call Me in the Morning
When it comes to treating people's mental health, one fad does not fit all.
BY SAMUEL SHEM

On Political Books

44 **Do We All Have to Get Along?**
A prescription for an efficient democracy overlooks what makes America great.
BY CHARLES SLACK

46 **Oxy Moron**
A look inside Armand Hammer's world reveals an empire built on bluster.
BY MICHAEL YBARRA

49 **Technology vs. Training**
In an age of technology worship, a trained fighting force is an afterthought.
BY DAVID EVANS

51 **Is Microsoft a City on a Hill?**
Does today's tech superpower deserve the abuse—or does it need our sympathy?
BY STEVE LOHR

54 POLITICAL BOOKNOTES
Reviews by Dante Ramos, John Marks, Tom Wicker, Barbara Boyle Torrey, and Colman McCarthy

Departments

2 **Letters**

11 **Memo of the Month**

19 **Tidbits & Outrages**

26 **Who's Who**

32 **Monthly Journalism Award**

60 **Political Puzzle**

COVER ART: BRUCE MACPHERSON

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Letters

In Hitler's Mind

Charles Peters's December "Tilting at Windmills" item about Adolf Hitler's declaration of war against the U.S. on December 11, 1941, perked my interest. Some 18 years ago I was pondering the same question in my German History class at Colorado College. My professor guided me to *The Swastika and the Eagle*, an excellent work by James V. Compton.

Based on my recollection of the book, your analysis is sound. Hitler did think of the U.S. as a "mongrel nation." Apparently his impressions were influenced by "western" movies about the Indian wars and by an army aide who had lived in the U.S. The book asserts that the aide, although a sycophant like the rest of Hitler's staff, did try to explain America's industrial potential to the Chancellor. Compton's view was that Hitler suffered from cognitive dissonance in his evaluation of the U.S. While at times he expressed an awareness that the U.S. could be a formidable foe, he was more susceptible to the inner demons that told him a mixed-race nation, with a significant Jewish influence, could be easily defeated. And as I recall from the book, Franklin Roosevelt's statement on December 8th that he blamed Germany just as much as Japan for the attack on Pearl Harbor provided the fuel that lit Hitler's fire.

EDWARD S. GOLDSTEIN
Chevy Chase, MD

A Strange Silence

"Thank you" to Charlie Peters for his comments on the strange silence among politicians about the inequity of the Social Security tax. I'm one of those people whose FICA and Medicare taxes are almost more than my income tax. The regressive nature of the FICA and Medicare taxes is never discussed by politicians, and seldom by the media. We need more spotlights like those *The Washington Monthly* and similar magazines have thrown on this issue.

ANDY WEBB
San Diego, CA

Mono vs. Multi

While I enjoyed overall Ralph Peters's review of *All That We Can Be*, he nevertheless makes a serious mistake when he assumes that multiculturalism is what led to Sarajevo. Lest we forget, it was the Serbian desire to transform multiethnic Bosnia into a monocultural state that led to the bloody civil war there. While monoculturalism may in many ways be an ideal, the major problem is whose culture is going to be the benchmark, and to what extent the cultural losers are going to have to surrender in order to adapt to the monocultural idea. As Bosnia has shown, civil war can be the result if one draws the line too tight.

STUART SHEFFER
Venice, CA

The "Defining" Battle

Glenn Hodges ("When Good Guys Lie," Jan./Feb. 1997) alleges that Dr. Mary Koss is exaggerating the rape rate when she reports her research findings that slightly over one in four college women has been the victim of rape or attempted rape. Hodges makes much of the fact that 73 percent of the rape victims in Koss's study did not think they had been raped; he would have us believe that Koss used some eccentric definition of rape in order to inflate the numbers.

Koss did no such thing; she defined situations as rapes or attempted rapes based solely on the legal definition of rape. Anyone familiar with her published research would know this. The reason so many victims did not think they had been raped is obvious—many people do not understand what constitutes rape. For example, many people wrongly think that a rape does not occur unless the rapist uses violence.

One reason I have always valued *The Washington Monthly* is that Charles Peters insists its writers be informed on a subject before writing about it. Yet it seems clear that Hodges never talked to Koss or read her research. It's distressing to see *The Monthly* turned into a transmission belt for right-wing propaganda, even if only for a single article.

MARK WYLIE
Los Angeles, CA

Glenn Hodges responds:

Labeling anyone who finds fault with Koss's study a dupe of right-wing propaganda is disingenuous at best. The point I made was that Koss's definitions were misleading, and if you look at her study, that is obviously the case. For example, respondents were defined as victims of rape if they answered yes to the following: "Have you had sexual intercourse when you didn't want to because a man gave you alcohol or drugs?" While the legal definition of rape Koss used (the state of Ohio's) includes the purposeful use of intoxicants to prevent resistance to sexual advances, Koss's question is worded so ambiguously that a woman who had consensual sex while intoxicated but later regretted it could easily—and accurately—answer yes. Another of Koss's questions—ascertaining attempted rape—is worded with similar ambiguity. As with all survey studies, the actual questions used make all the difference. Given the poor quality of these questions, it's no wonder that 42 percent of the women Koss labeled as rape victims subsequently had further sexual relations with the same men who had allegedly raped them. And while the complexities of human nature are such that a certain number of women might have continued sexual relations with a man who had raped them, 42 percent is a little hard to believe.

The Press vs. The Pulpit

Jimmy Carter prayed a lot as president and never tires of telling us so. But his prayers, however heartfelt, seem to have been as effective as his presidency. So what, exactly, was wrong with Bryant Gumbel's asking Mr. Carter, "What do you think, if anything, that says about the power of prayer?" ("Tidbits & Outrages," Jan./Feb. 1997)

The Monthly has often criticized mainstream journalism for its treatment of religion, which is in fact dreadful. It doesn't help matters when you make fun of the rare journalist who respects another's religious convictions enough to ask serious, challenging questions.

CLEM COLUCCI
via e-mail

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Unwilling Accomplices

In your November 1996 issue, you marred an otherwise excellent article on privacy rights, or lack of same, when you misstated the role of the pharmacist in information transfer. Most pharmacists are, at best, unwilling and unwitting partners in the type of fraud and theft you describe. The type of immoral information sharing you describe does occur, but the guilty party is the drugstore chain or insurance company, not the individual pharmacist. The pharmacist is boxed-in because the laws in most states, not to mention federal controlled-substance laws and good professional practice, require collection of demographic information—as do the filing of any insurance claims, especially the online varieties that now dominate the industry. It is incumbent upon you to tell your readers that pharmacists are almost certainly not to blame for information sharing.

MICHAEL WEBB
via e-mail

Not Identical Twins

That the General Accounting Office, after an exhaustive study of U.S. government programs to promote democracy, concluded there was no significant overlap between programs funded by the National Endowment for Democracy (NED) and those funded by official agencies, should come as no surprise to anyone familiar with NED's record of accomplishment. But this conclusion obviously came as a disappointment to David Corn ("Muzzling a Watchdog," Jan./Feb. 1997), who sought to spin an elaborate tale in which politically powerful forces conspired to nullify the GAO's brave attempts to put an end to NED's $30 million democracy-building effort.

That NED receives widespread support across the political spectrum is testimony to its effectiveness. And the basic argument of the draft report—that NED duplicates what AID does—was without foundation. Last March, following a separate review of programs funded by his agency and NED, AID Administrator Brian Atwood reported to the House Committee on International Relations: "[W]e found that USAID and NED do not duplicate, but rather complement each other's efforts." In the same report, he outlined a series of steps that AID and NED have taken together to avoid duplication. Subsequently the GAO wrote to the Committee that its concerns about potential overlap and duplication had been allayed, and there was no need to proceed any further on the matter.

JOHN BRADEMAS, CHAIRMAN
NATIONAL ENDOWMENT
FOR DEMOCRACY
New York, New York

The Freedom to Teach

As one who just completed 9 weeks student teaching at a Maryland public high school, I read with considerable interest Dante Chinni's "Teachers' Pets" (Jan./Feb. 1997). While I agree that teacher unions in many states wield considerable clout to enhance their members' pocketbooks and that firing an incompetent teacher is a Byzantine process, I disagree with his basic assertion that weakening unions' power in state legislatures is a key step toward making schools better.

A recent article in *The Washington Times* illustrates one problem with Chinni's suggestion for replacing tenure protection with teaching contracts that are renewable at the discretion of a principal or school superintendent. The piece notes that, while teachers are often concerned with a few unruly kids interrupting the lesson, principals often have loftier, conflicting, concerns. As part of their job, principals are expected to be public relations spokesmen for the community. In this capacity, they fear that too many suspensions will brand their school a problem and one not worth attending. For a teacher, disciplinary concerns are more basic. He wants to teach his lesson and, to that end, needs the freedom to develop a disciplinary style with which he is comfortable. But I would hate to think that my contract might not be renewed because, compared to other teachers, I sent too many children to the principal's office.

JAMES H. O'ROURKE
Gaithersburg, MD

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Tilting at Windmills

BY CHARLES PETERS

Psychic Spooks • The Breaking Point Task Force • Bubble-Gum Mechanics • Tom Cruise at the OMB • Big-Hair Bigots

ALTHOUGH THE GOP HAS A VALID point that campaign finance reform can't make any real progress until Democrats acknowledge what the labor unions do for their party, I wonder—are the Republicans willing to be equally upfront about what the Christian Coalition does for them?

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IF YOU'RE TEMPTED TO FALL FOR the typical politician's pitch that money buys access, not results, ponder these findings by the Center for Responsive Politics. From 1991 to 1996, 35 senators who voted against the sugar industry got an average of $1,461 from it. Sixty-one senators who voted for the industry averaged $13,473 each. The Center found the same held true for the timber, defense, oil and gas, pharmaceutical, mining and tobacco industries, not to mention for doctors and cattlemen.

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TO UNDERSTAND HOW BAD THINGS are at The Citadel, you have to know a fact that didn't make it to the top of the stories about the abuse of the two female cadets. Not only were their tormentors not firmly dealt with, the college was actually, according to Adam Nossiter of *The New York Times*, pressing charges against two cadets who contacted the women's parents to warn them of problems and who also spoke with Colonel Trez and General Poole about the abuse Miss Messer and Miss Mentavlos endured. Is there anything more contemptible than punishing young people for doing the right thing?

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I AM DEPRESSED BY THE PESSIMISM of recent editorials in *The Washington Post* and *The New York Times* about the prospect for health care and welfare reform. The *Post* seemed to feel there was little chance that an essential reform—health insurance for the working poor—will be passed. The *Times* seemed equally despairing of a major job program for welfare mothers. But the press shouldn't let Congress and the President off the hook because we're not optimistic. We must keep reminding them that the great experiment of welfare reform will not work without more jobs than the private sector can provide, and without health insurance for those who give up the cocoon of welfare and Medicaid. The Republicans in Congress and the President should be put to the test of reforming welfare in a way that will keep its former beneficiaries from being worse off because they go to work.

Too many people have fallen for the unreality of too much government regulation. In reality, there's often too little.

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AS REGULAR READERS KNOW, I AM something of a lunatic about the need to attract better people to the government. We need the public to see what government workers can accomplish. Recently, the employees of the National Transportation Safety Board have been providing the kind of examples that are needed. And because of the drama of the plane crashes they investigate, the Board has become "hot." NTSB investigators are often shown on television. *The New Yorker* ran a long piece called "The Crash Detectives." The Learning Channel did a four-hour special. And Adam Bryant of the *The New York Times* did an article on the phenomenon entitled, "Plane Crash? It's a Job for Tom Cruise." The next step, which I admit will be a little harder to sell, is Tom Cruise at the OMB. But there really are several hundred fascinating jobs at the OMB that give workers a chance to figure out what the rest of government is doing right and wrong and what needs to be done to make the system work, plus a chance to nudge the government in the right direction.

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WHEN MY FELLOW liberals complain about Newt Gingrich's use of tax exempt non-profit funds for political purposes, they should remember that many liberal organizations do the same thing, including magazines like *Mother Jones*, *The Nation*, and *The American Prospect*. A couple of years ago this magazine accepted a $50,000 grant from a non-profit. Ironically, it was used to finance a series of articles on money and politics. I don't see any great harm in this, except that some liberal groups rival Gingrich in their lack of candor about what they are doing.

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ONE CLUE AS TO WHAT'S WRONG with our public schools: Classroom teachers constitute barely more than 40 percent of school employees. By way of contrast, according to last year's report by the National Commission on Teaching and America's Future, in other countries the teaching staff ranges from 60 to 80 percent of the total. And of course in our own parochial schools the

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administrative staff is much smaller than that of the public schools.

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FOR A COUPLE OF DECADES, *THE Washington Monthly* has been urging parents and school boards to look at parochial schools for lessons in efficient administration, good teaching, rigorous curriculum, economy and discipline. In recent years the message seems to be getting across. Just this January, Peter Jennings in a "Solutions" segment of *ABC's World News Tonight*, explained the virtues of Catholic schools, including the fact that they "appear to do more with less money—about $2,400 per year per student compared to $6,000 in the public schools."

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JUST WHAT IS THE BURDEN OF REGulation on business? In 1994, Congress asked the General Accounting Office to investigate. When the GAO asked nine business groups to come up with the names of companies that were being victimized by the cruel hand of Washington, only two of the organizations offered any nominees. Among those who came up dry was the United States Chamber of Commerce, whose president, Richard Lescher, is constantly moaning about regulation.

In the end, the GAO approached 51 companies. Only 15 felt strongly enough to participate. "What's most ironic is that all this huffing and puffing [about over-regulation] isn't backed up with any real information and real, live examples," Gary Bass, a local government watchdog told *The Washington Post*'s Cindy Skrzycki, "There isn't much there there." This story should have been on the front page of the *Post* and every other paper in America. Far too many people have fallen for the un-reality of too much government regulation. In reality there's often too little.

Okay, you're saying, give me a "for instance." I'm ready. Take the FAA. In your heart you know they haven't been doing a good enough job. Remember ValuJet? The contractor that screwed up wasn't investigated by the FAA. Why? Because, according to Mathew Wald of *The New York Times*, the airline itself did not identify problems with the contractor. In other words, if ValuJet did a piss-poor job of monitoring its contractor, the FAA wasn't going to find out—and a lot of people were going to die. Better regulation is needed, not less.

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BILL GATES, WHO HAS NOT BEEN notable for his philanthropy, recently gave $15 million to Harvard, according to *The New York Times*. I wonder why if he gives so little, he would give so much to the nation's richest university. By 1995 Harvard's endowment had reached $7 billion. Many other worthy institutions have a greater need for his help.

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IF YOU'RE FED UP WITH TALK SHOWS like "Crossfire," where the two sides blast away at one another and seem to regard common ground as forbidden territory, you will be heartened to hear about a radio show in El Salvador that brings together two former enemies in that country's civil war. Mauricio Vargas was a combat commander in the U.S.-backed military; Salvador Samayoa a leader of the Marxist rebels. Now the two, writes *The Washington Post*'s Douglas Farah, "co-host a highly regarded radio program aimed at showing that despite years of bloodshed costing 70,000 lives, reconciliation is possible." The program has, according to Farah, "a civil question-and-answer format and simple discussion of national problems." Let's hope some innovative producer will try this approach back here in Washington.

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TWO MORE EXAMPLES OF WHY WE need a tougher FAA. First, this report from Reuters:

"The [FAA] suppressed an internal report that urged a review of ValuJet three months before one of the low-cost carrier's jets crashed in the Florida Everglades, an FAA manager testified yesterday."

And this from *Business Week*: "The FAA simply doesn't enforce the rules about screening mechanics," charges an NTSB board member John Goglia. ... Adds a veteran FAA flight inspector, 'We're handing out mechanics certificates like bubble gum today.'"

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A RECENT REPORT OF THE INSPECtor General of the Department of Justice, according to Pierre Thomas of *The Washington Post*, "criticizes some basic procedures of the FBI lab and highlights some two dozen cases in which there were problems with possibly contaminated evidence and other FBI laboratory procedures." To the FBI's credit, three of the guilty officials have been transferred. But to its shame, Frederic Whitehurst, the scientist who blew the whistle on the lab's ineptitude, remains suspended.

Many of Whitehurst's former colleagues dismiss him as a stiff-necked weirdo. That's what the cowards who don't have the guts to blow the whistle usually say about the person who does. Often he *is* different—he has to be to have the courage to speak up.

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BACK TO PAROCHIAL SCHOOLS. SOME people think there's more that we can do than just learn from them. We can give vouchers to public school students to permit them to get the better education offered by Catholic schools. The *Monthly* has opposed vouchers because we fear that they would inflict too much damage on the public schools. But we do think they are a useful threat to hold over the heads of public school authorities and teachers to get them to reform. We also think in those cases where the public school system is truly abysmal, vouchers should be offered now.

One such place is Washington, D.C., where we have an awful public school system that rarely shows the slightest sign of intelligence—and then only in the guile with which it resists reform. We should give the children of Washington a chance to escape this system right now. Each of the 16 Catholic elementary schools in

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the District is under-enrolled. Their tuition averages only $2,000, less than a third the per-pupil expenditure of D.C. schools. We could offer students vouchers for $3,000 and still be saving 50 percent of what it costs to keep them in the District public schools.

The usual objections to vouchers are (1) the First Amendment and (2) the fear that the vouchers would be used to subsidize rich parents who would send their kids to fancy private schools anyway. The second problem can be solved by limiting the use of the voucher to schools that will accept the $3,000 in full payment of tuition. The constitutional problem could be resolved by providing that the voucher could be used for private, public, and parochial schools so that religion would not be singled out for help or harm—the essential concern of the establishment clause of the First Amendment.

Vouchers will not be justified once the D.C. schools climb out of the abyss. But, until reform occurs, we should no longer punish students by depriving them of an opportunity to get a better education in parochial schools.

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BACK TO THOSE RICH COLLEGES. My old friend John Rothchild wrote a piece in the December issue of *Fortune* pointing out that his alma mater, Yale, has an endowment worth $4.86 billion, up from less than 1 billion in just the last 15 years. He wonders why he continues to be dunned each year for contributions to an institution that seems to have money to burn. And we might also ask why rich schools like Yale continually hike their tuition. The top 17 of our institutions of higher learning have a combined endowment that, according to *The Chronicle of Higher Education*, is greater than that of 422 schools that trail them. "Education is like basketball," observes Rothchild, "with a few rich teams hogging the spoils and the all-star talent." That's unfortunate, because education is a hell of a lot more important than basketball.

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THE STYLES SECTION OF *THE NEW YORK TIMES*, in addition to making sure we have a steady supply of photographs of Brooke Astor, provides other important services, including advice for the average reader on such essentials as how to select a personal trainer. And, in case you made the wrong choice, how to fire him. The latest example was a January 12 piece that told you how to avoid being turned away by the doorman at Manhattan's trendier clubs. The secret is hair—yours if you're a woman, your date's if you're a man. "We don't like big hair," says Howard Stein, the owner of Au Bar. Writes the author of the article, Trip Gabriel, who did a one-night stand as a doorman at Chaos, "these two women with big hair, I didn't have to look at the clip board [listing approved guests] to know their names could not be there."

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WOULDN'T YOU HAVE THOUGHT that, next to relatives and friends, a political candidate would be most likely to get contributions from those who share his views? Not so, says a political fundraising guide that, according to James Bennet of *The New York Times*, is widely circulated among Democratic activists. The guide explains that the best targets for fundraisers are in the "power circle...those who have a financial relationship with your candidate, a financial stake in [his] election and a belief that his election will increase their own political power in some way. These are the people the candidate names when asked, 'Who owes you or will benefit directly or indirectly from your election?'"

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MALARIA IS A DISEASE THAT afflicts poor people in the Third World. It constitutes, in the words of *The New York Times*, "a medical catastrophe...killing more people than three decades ago." Yet a recent British study found that where $3,274 is spent on AIDS research for each fatal case of AIDS, only $65 is spent on malaria research for each fatal case.

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YOU MAY HAVE NOTICED A stream of stories about Gulf War Syndrome lately. If you read them all, you likely came away with the sense that the only thing known for sure is that we still don't know what's causing the ailments afflicting thousands of Gulf war veterans. One report, for example, concluded that stress was the most likely culprit. Another report provided evidence to support the possibility that the combination of wartime exposures to low levels of chemical weapons and other toxins and drugs the troops took could have produced their symptoms, a hypothesis we reported in our December story. Given all these conflicting, and tentative, conclusions, what seems most likely is that we will never know for sure what the cause of the illnesses are; the information is simply too old or inaccessible or incomplete.

Remember, however, that regardless of whether low level exposure to chemical weapons made the veterans sick, we now know that many soldiers were exposed during the war. More importantly, we know they were ill-prepared for such exposures:

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They had neither adequate equipment and training to cope with exposure to nerve gas, nor safe and effective medical antidotes. What ought to scare the pants off all of us is how little that state of affairs has changed. I quote from our December story:

"The GAO recently assessed the U.S. military's preparedness for chemical and biological warfare and concluded, 'Units designated for early deployment today continue to face many of the same problems experienced...during the Gulf War. ...[E]quipment, training, and medical shortcomings persist and are likely to result in needless casualties and a degradation of U.S. war-fighting capability.'"

Isn't that where we should be focusing our efforts?

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COULD IT BE THAT MY CAMPAIGN to get lawyers to do something better with their lives is succeeding? At least one statistic is promising. Between 1990 and 1995, the number of law school graduates practicing law dropped from 82 to 76 percent. A member of the American Bar Association's aptly named "Breaking Point Task Force" was recently quoted as saying that two surveys of lawyers by the task force reveal a downward slope in career satisfaction.

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FOR THIS GOOD, TO ME AT LEAST, news, I'm indebted to a thoughtful column by John W. Porter of *The Portland (Maine) Press Herald*. I'm similarly indebted to Mary Ann Lindsey of *The Tallahasee Democrat*, only her news is discouraging.

Last year she wrote about a lawyer who had decided to become a public school teacher—news that so delighted me that I passed it along to *Monthly* readers. Now, after four months in the classroom, he has quit. Alas, Lindley explains, "he was too old (and life too short) for the rudeness, lack of discipline, and stunning indifference that his students conveyed each day."

I'm sympathetic. My son is a public school teacher who has encountered far too many students who could be described the same way. But I wish the Florida lawyer had stuck it out a little longer. My son is now at the year and a half point and he's found that as he has learned how to do the job, he's been able to reach enough students to make it all worthwhile. He's now certain that teaching will be his life's work.

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"MISTAKES WERE MADE," SAYS BILL Clinton in semi-acknowledgement of the Democrat's fund-raising scandal. You may have noticed how often politicians use the passive voice in describing similarly embarrassing situations. The reason: by saying "mistakes were made," one avoids having to say who made them. This tactic has its greatest appeal when the "who" that is avoided is "I."

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IT'S NOT JUST *THE NATIONAL Enquirer* that employs psychics. So, you may be interested to know, have the CIA and the DOD. The CIA disbanded its psychic unit in 1978. But the military picked up the dropped baton and carried on until 1995, according to the columnist Jack Anderson and his associates Jan Moller and Dale Van Atta. During that period it carried out 182 projects assigned by 25 government agencies. The Defense Intelligence Agency made 93 assignments to the unit. And the CIA, perhaps regretting that it had deprived itself of such an essential resource, assigned 32 projects. Where, the unit was asked, is Carlos the Jackal? Where are the Scuds? You may wonder how, exactly, the unit went about carrying out these assignments. According to the Anderson column, the technique employed was "remote viewing." "Generally," the column explains, "it consisted of two people in a room which was often darkened. The psychic would be told a number but would not be told what or whom he was looking for, or which agency was seeking the information. The psychic would then relate what came to mind." ●

Be Kind To American Workers

If you tax jobs out of existence, American workers will suffer.

If you tax goods and services (as with a sales tax), prices zoom and American workers will suffer.

But if you tax the locational value of land, then land will have to be efficiently used, thereby creating jobs, also goods and services.

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The DOE's Dirty Laundry

Is a technologically unqualified DOE sabotaging its own nuclear cleanup efforts?

BY SIMON WALSH

Remember the savings and loan bailout? You know, the banking fiasco with the $90 billion price tag? Well, that'll look like chump change next to the government's next big repair job: reversing 50 years of environmental ruin in the nation's nuclear weapons complex. Cleaning it up is expected to take at least 75 years and $230 billion—more than twice what the S&L debacle has cost so far.

It's not a pretty picture. Radioactive waste oozes from crumbling, million-gallon tanks—some in danger of exploding—at two dormant federal reactors, Hanford in Washington state and Savannah River in South Carolina. At Fernald, a derelict nuke plant near Cincinnati, there are silos crammed with red-hot uranium tailings. At Rocky Flats, a defunct warhead factory in the suburbs of Denver, the ground is spiked with plutonium. And just outside Idaho Falls, people go to sleep at night worrying about the radioactive waste buried under the Idaho National Engineering Laboratory. It has a half-life of several thousand years.

This is the price we have yet to pay for winning the Cold War. We built a lot of nukes. We built them fast. And we didn't worry about keeping things tidy. The resulting clean-up problems are among the toughest on earth. In many cases, the tools and techniques needed to make things right haven't been invented.

Given that, it's a bit discouraging to hear some of the stories coming out of the Department of Energy, the federal agency directing the clean-up. They suggest the DOE lacks the scientific savvy to get the job done.

In 1993, for instance, a worker at Hanford used a "rock on a rope" to clear a drain clogged with radioactive gunk, according to a report from the General Accounting Office (GAO). The worker contaminated himself and brought pollution sampling at Hanford to a virtual halt for half a year. At another plant, a worker opened a fan housing in a ventilation duct and inhaled a blast of plutonium dust. In still another, supervisors put lunch rooms in radiologically-controlled zones.

The problem isn't limited to the rank-and-file. A third of the DOE's 44 top-level managers responsible for protecting workers from radiation—jobs that require a technical degree in the private sector—lack any scientific degree whatsoever, according to John Crawford Jr., a nuclear engineer and recently-retired member of the Defense Nuclear Facilities Safety Board, a federal panel that monitors safety at the DOE's nuclear weapons plants. They either have a bachelor's degree in a non-technical major or no college degree at all. "This is a problem that urgently needs attention," Crawford says. "You can't be an effective performer unless you know what you're doing."

Crawford is not the first to express concern:

1989: An advisory committee on nuclear safety warned that DOE decision-makers were frustrated by "buffers of people who are not technically competent."

1991: Then Energy Secretary James Watkins warned President George Bush that the "technical knowledge and skills of many DOE managers and employees are not sufficient to do their jobs."

1993: The Office of Technology Assessment said the DOE's environmental restoration unit "has little capacity to assess contractors' performance in health and safe-

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ty matters."

1996: The GAO fretted that technical problems at the DOE's Hanford site "have gone uncorrected for considerable periods, either because managers were unaware of the problems or because they were slow to take action on problems they knew about."

In February of last year, a special committee of the National Research Council rated the DOE's cleanup effort below average at best. The performance of the DOE's Office of Environmental Restoration, the committee said, "falls short, not only of the ideal, but of the standard of reasonable effectiveness set by other organizations in both the public and private sectors."

In the DOE's defense, the cleanup problems it faces today were a half century in the making. Department officials wince just thinking about the weapons plants built in the '40s, when the work was done in extreme haste, with little regard for the environment. Back then, American leaders thought Germany was on the verge of building the world's first atomic bomb. President Franklin D. Roosevelt launched the Manhattan Project, convening the nation's best scientists and giving them virtually free rein to do as they saw fit—as long as they built the A-bomb first. The government paid staggering sums to build reactors and bombs at breakneck speed, and eventually won the race.

"We're not saying the DOE doesn't have enough people. ...We're saying it doesn't have enough people who are technically qualified."

After the war, the Atomic Energy Commission inherited the Manhattan Project plants, many already falling apart, their grounds badly polluted. These plants wound up inside the DOE after its founding in 1977.

For years the department relied on the technical prowess of its hired contractors, often limiting itself to administrative duties. This approach worked fine at first, mainly because the DOE didn't have to worry about complying with environmental laws. It said making the nukes was an issue of national security, which took precedence over everything else.

This started to change in the mid-'80s. The nation had all the nukes it needed, and the bomb factories were on their last legs. Then came the federal court ruling in 1984 that led the department to submit to federal and state environmental laws. Shortly thereafter, the Cold War ended, and the DOE's central mandate shifted from the production of nuclear weapons to cleaning up the 10 major sites and scores of smaller ones in its crumbling network.

The department didn't realize what it was getting into. It had basically ignored the world's toughest antipollution laws for years. Then, virtually overnight, it had to follow them to the letter. After years of hands-off management, it was a rude awakening for DOE managers out in the field. They had to learn a tangle of new laws, and more importantly, they had to grapple with a hard-core science problem: how to design safe procedures for cleaning up some of the dirtiest sites on earth. This meant finding a way to scoop up the waste (without contaminating anyone), stabilizing it in some form, such as encasement in glass blocks, then finding a safe place to store it. So far, most procedures are still in the experimental phase.

Not that it matters. The department has had little luck even getting to the cleanup stage. To date, its efforts have been largely limited to prep work: characterizing or describing wastes found at a site. But even that isn't going smoothly: "After more than 10 years and about $260 million invested in trying to characterize the tank wastes at Hanford, little definitive progress has occurred," the GAO said in January 1996.

Nor is there much optimism that the situation will improve any time soon. "The department is running in place and spending $4 billion a year to do it," the National Research Council said the same month, "and this figure will grow if nothing is done."

DOE officials bristle at that kind of talk, saying the department is grappling with numerous non-technical issues hampering cleanup efforts. Undersecretary of Energy Thomas Grumbly says the department has to devote $4.8 billion of its $6 billion annual cleanup budget just to keeping things safe and stabilized—monitoring waste tanks for noxious gases, keeping rain and burrowing animals out of the tanks—leaving just $1.2 billion a year for actual cleanup.

Other analysts stress the tangled agreements that govern cleanup at the big sites. For example, in the late '80s and early '90s, DOE managers at Hanford had to negotiate and renegotiate an agreement to the satisfaction of two counter-parties, the Environmental Protection Agency and the Washington State Depart-

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ment of Ecology. Simultaneously, it had to draw up strategies to get in compliance with a host of federal laws, including Superfund, the National Environmental Policy Act, and the Resource Conservation and Recovery Act.

The result is a case of too many cops: Cleanup requirements are being applied willy-nilly by a gaggle of regulators, both federal and state, under a dizzying array of statutes and environmental rules. DOE managers get caught between conflicting demands. At many sites, efforts to comply with multiple, often repetitive regulations result in vast redundancies in the work performed, from report generation to sampling rates to testing.

To complicate matters, the department has in a sense been betrayed by the system. There's a perverse incentive to keep cleanups going forever, because when the cleanup ends, so does the funding. "[Technical ability] is not the central problem behind the cleanup," says Andrew Caputo, senior attorney with the Natural Resources Defense Council. "The larger problems are unsexy issues of incentives and management."

While these side issues are certainly legitimate, they shouldn't obscure what the Safety Board—the one group that spends all its time studying DOE nuclear issues—has said time and again: that a lack of technical horsepower is the DOE's single biggest problem.

Crawford hopes this message is finally sinking in. "We're not saying the DOE doesn't have enough people," he says, "We're saying it doesn't have enough people who are technically qualified."

Over the years, the DOE has responded to such criticisms by beefing up its in-house training. With 29 of its offices offering training of some sort, the department lays out hundreds of millions of dollars a year on a dizzying array of programs, ranging from the essential (worker safety and cleanup tactics) to the not-so-crucial (assertiveness training and business writing).

Ironically, most of this money is spent on the DOE's huge contractor workforce—contractors supposedly hired because they already knew what they were doing. The DOE's contract staff numbers 118,000 (dwarfing the department's 19,000-member employee base), and includes some titans of US industry: Allied Signal Inc., Bechtel Group Inc., Lockheed Martin Corp., Raytheon Co., Rockwell International Corp., TRW Inc., and Westinghouse Electric Corp.

But the DOE can't tell you how much it spends training workers at these companies. There is no central database that tallies DOE training outlays, so the department isn't sure what it's getting for its money.

Nor do the training dollars being spent on department employees seem to go toward the essentials. For instance, every year—in addition to its in-house training expenditures—the department foots the bill for dozens of high-priced seminars in management fads, things like "Total Quality Management" and Stephen Covey's "Seven Habits of Highly Effective People." Congressional investigators have gotten wind of these outlays, and they want to know more. In a Dec. 20, 1995, letter, the then-chairman of the House Committee on Government Reform and Oversight, Pennsylvania Republican William Clinger Jr., requested information from Energy Secretary Hazel O'Leary on all training since January 1, 1993, performed outside the department for the benefit of executive-level DOE employees. The DOE responded to Clinger's request with a stack of folders six inches thick. A rough survey of these documents found that the DOE paid for at least 48 Covey seminars between 1993 and 1995. The total bill for these sessions: $528,075.

DOE officials say this training boosts teamwork and efficiency. "It has saved amazing amounts of time and money," says Tara O'Toole, the DOE's assistant secretary for environment, safety, and health.

That may well be the case. But Crawford and others still wonder if it wouldn't be a better idea to use some of those training dollars to hire more scientists and others who actually know what they're doing right from the start. Who cares if DOE bureaucrats are highly effective people if front-line workers and managers don't know what they're doing?

In a 1993 recommendation, the Safety Board urged the DOE to identify its technical needs and hire outside experts. The DOE made efforts in this area: For instance, it drew up detailed requirements for 23 key job titles ranging from "chemical processing specialist" to "nuclear safety systems engineer." This was a step forward. In the past, requirements varied significantly from one field office to the next.

But progress has been slow. In 1995, the DOE filled just 33 of 400 slots reserved for technical specialists. And DOE staffers told the Safety Board in January 1996 that most people hired for technical posts have come from inside the department. Department officials say their efforts are dependent on employee turnover, and will start to bear fruit in the next year or two.

Crawford calls this so much dilly-dallying. You can argue forever about rates of retirement and civil service rules and the merits of promoting from within, he says, or you can do what's right: Recruit technical experts from private industry, then give them enough money and support to get the job done. ●

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Memo of the Month

Metropolitan Council
Working for the Region, Planning for the Future

Transit Operations
Internal Memorandum

DATE: **Decembed 12, 1996**

TO: **All Employees That Use the Men's Room**

FROM: **Georgia Stinson**
Transportation Manager
Nicollet Garage

SUBJECT: **Using the Restroom**

One thing I did not anticipate ever doing as a manager was giving instructions to employees on how to use the restroom.
However, there have been several incidents of plugged toilets, which appear to be deliberate, that require action.
Please do not put paper towels, pens, wallets, newspapers, clothing, envelopes, money, driver exception reports, or anything unnatural or without the preceding word "toilet", as in toilet paper, into the stools.
If someone is doing this because they are mad at management, management does not have to unplug it. If it's the case of anger toward the janitor or other employees, they will not have to unplug it either.
Someone from Roto-Rooter will be coming out, for a fee. Apparently, they would not do this work if they minded.
If too much money is spent on this, essentially money thrown down the toilet, someone might have to be laid off. If the reaction would then be, "this is a bunch of s---", this would be true.
I am reasonably sure that there is only one or two people responsible for this, and I apologize to the rest of you having to waste your time with this memo.

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It's Not As Bad As You Think It Is

Misguided handwringing about our society's decline distracts us from the real crises

BY NICHOLAS LEMANN

One of President Clinton's main challenges in his second term is going to be trying to move the United States away from a self-conception as a nation in crisis. It's a problem partly of his own making. In his 1995 State of the Union address, for example, delivered right on the heels of the big Republican sweep in the 1994 elections, Clinton said, "[Far] more than our material riches are threatened; things far more precious to us—our children, our families, our values... The values that used to hold us together seem to be coming apart." That was the speech in which he called for a New Covenant that would address America's problems "above all, how can we repair the damaged bonds in our society..."

In saying this, Clinton was not imposing his own eccentric views on the rest of us. He probably had been reading polls that told him such sentiments would strike a responsive chord, and even if he hadn't, many other people were painting the same picture more luridly. Newt Gingrich has a standard speech line that reads, "No civilization can survive with 12-year-olds having babies, with 15-year-olds killing each other, with 17-year-olds dying of AIDS, with 18-year-olds getting diplomas they can't read." A stream of books about the fraying of the American social fabric has been published over the last few years; the current occupant of the best-seller list in this category, whose title says it all, is Robert Bork's *Slouching Towards Gomorrah*.

It will be very difficult for us to explain to our grandchildren why the United States in the mid-1990s thought of itself in such a bleak way. Our country is as triumphant as any has ever been. We have no external enemies who pose a real threat. We are at peace. We are not in a depression or a recession. The unemployment rate is relatively low. The political system is stable. Compared to the run of American history, let alone world history, this is an unusually calm moment.

Even if you take it as a given that Americans are going to pick something to hand-wring about, pervasive social decay is not the obvious choice. All through the 1980s and up through the 1992 presidential election, the main national concern was with the economy, not the society. You would think that if social concerns came to the fore during the past five years, it would be in response to alarming social developments over that time. In fact, it has been a phenomenon floating free of reality, driven by no actual contemporary developments.

The standard litany of our social problems is, roughly: crime, drugs, illegitimacy, deteriorating schools, divorce, welfare dependency, and poverty. None of the indicators in these areas is currently rising dramatically, and several are falling—most notably, crime rates. The divorce rate peaked between 1979 and 1981 and has been declining modestly since. School completion rates are steady among whites and rising among blacks. The proportion of children born out of wedlock has been holding steady since 1990. Household median income has begun to rise, and the poverty rate has begun to fall. What the policy-wonk community has fixed on as the one current trend most worth being alarmed about, rising income

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inequality—between 1977 and 1992, average family income for the poorest fifth of Americans decreased by 17 percent while it increased for the richest fifth by 28 percent, and for the richest hundredth by 91 percent—is often written about, but almost never discussed by politicians in election campaigns in the way that social breakdown is.

What can explain the popularity of the perception of a social crisis, then? A few possibilities come to mind:

• Delayed reaction. Social trends like crime, divorce, illegitimacy, dropout rates, and drug-taking, which we identify with the culture of the 1960s, all rose most steeply during the 1970s. The reason is that cultural developments spread gradually from a few to the many: What dozens of young people in Haight-Ashbury were doing in 1967, millions of young people were doing (in watered-down form) in Omaha and Peoria 10 years later. Official social commentators didn't catch this, because in the '60s they had been focused on places like Haight-Ashbury and in the '70s they were focused on the '60s being over. Only now is the enormity of the social changes of 20 years ago sinking in among the American leadership—and these changes, after all, haven't been completely reversed, but rather have drifted a little down from the high plateau.

• Metropolitanization, especially in the Sunbelt. All the attention given to the shrinkage of American cities obscures the steady, constant growth of metropolitan areas, which now account for more than three-quarters of the American population. In the South and Southwest, metropolitan areas are growing rapidly. They tend to be populated by people from surrounding small towns and rural areas who find themselves arrived in a much more permissive culture than they have been used to. This helps explain the popularity, in Sunbelt suburbia, of Pentecostal churches, and also of the Christian Coalition, which, because it is so good at turning out social-issue voters, has done more than any other single political force to put the perception of social breakdown on the national agenda.

• Everything seems different, and therefore disturbing. The surface feeling of American middle-class life has changed quite a lot over the last generation. The biggest change, by far, is the replacement of the upwardly mobile male breadwinner and housewife as the dominant family type by the staying-afloat family of two working parents and a child-care provider. Another important change is the exponential widening–beyond a fairly constructed, safe, wholesome band of programming material–of what's available on television, in popular recordings, and in other cultural media. Big changes by definition leave people feeling dislocated; doomsday views of the situation are an easy sell.

• The world is a ghetto. For most of the twentieth century, crime, marital instability, out-of-wedlock childbearing, drug use, and poor education have been very high in the self-contained world of the black poor, and much, much lower among whites. Over the last 25 years, the prevalence of all these phenomena has risen, from a low base, in white America—much more than it has in black America. So whites are now much more aware of them, both as problems in the ghettos and as potential problems outside the ghettos. The perception of crisis is, in a sense, simply an acknowledgment of personal risk by the white middle class.

But to understand why the feeling that our society is falling apart has taken hold is one thing. To pander to that feeling is another.

Wild rhetorical overkill is bad in and of itself. It cheapens the currency of political talk. How many 12-year-olds, really, are having babies? When there actually is a crisis, what will there be left to say that will rouse the nation, and not be discounted by a public that has been hearing inflated talk for years?

When politicians use the easy, dramatic language of social crisis, it has a strange disabling effect on the government. The biggest language guns are being hauled out, the deepest and most intimate connection to the public forged, with regard to a problem that government can't do much about. If you define the country's big problem as being insufficient health care coverage, then the connection to government action is obvious. If you define the country's big problem as "values," it's a way of signaling that the government is good and important (because it is alarmed) without making a commitment to government's doing anything, except for small, symbolic gestures like promoting the V-chip. The more central that government officials make social disarray appear to be, the less central government becomes as a problem-solving institution in the society.

Finally, universalizing any problem makes it more difficult to fix. Public schools are a good example. It isn't that "public school" doesn't work, it's that some public school systems have been allowed to deteriorate dangerously. If a finite number of schools are the problem, then it's possible to think of a solution. If schools, generally, are the problem, then we have to throw up our hands, or think in terms of squishy, impossible missions like changing the entire ethos of the society.

America's social and economic problems are heavily concentrated at the lower end of the society. The whole society isn't in crisis. Saying that it is only permits the crisis that is going on not to be solved. ●

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The Right to Default

When did bankruptcy become an accepted fixture of everyday life?

BY MICHELLE COTTLE

My friend "Tom" is your typical yuppie. He has the pretty wife, the cute kid, the well-paying job in high-tech, the two cars (one a Mercedes 300), the sailboat (a 35-footer rigged for racing)—and the obligatory Chapter 7 bankruptcy on his credit report.

Yes, this December Tom joined actress Kim Basinger and former baseball commissioner Bowie Kuhn among the swelling ranks of Americans taking advantage of Uncle Sam's debt forgiveness program.

By now you've all heard the disturbing news: Despite a thriving economy, and the decline in corporate bankruptcies, Americans are declaring personal bankruptcy in record numbers. When the American Bankruptcy Institute reported last summer that 1996 petitions were on track to hit a record 1.1 million, every newspaper in the country ran an article on our nation's consumer bankruptcy crisis. Leading off each piece was a disheartening tale about how some naive young couple (or single mom or grandmother) had either: a) been struck a devastating financial blow such as an unexpected illness or layoff or b) allowed themselves to sink slowly into a morass of unrecoverable credit card debt. The ultimate result: bankruptcy.

On the heels of these personal narratives came laundry lists of the common causes of consumer bankruptcy—job loss, divorce, high medical bills, car accidents, credit card debts—along with the requisite finger pointing: The lawyers blame the banks for making excess credit too obtainable; the banks blame the government for making filing too easy and the lawyers for being too quick to recommend bankruptcy; and everyone blames society for being morally bankrupt, thus removing the stigma from financial bankruptcy. But regardless of the experts quoted and the individuals profiled, at some point in every article, someone would note that Americans are operating so close to the financial edge that one unexpected expense pushes them over. In other words, the rise in bankruptcies is an unfortunate—but unavoidable—fact of modern life.

Maybe. But financial hardship has always been a part of life. Neither illness nor job loss is a recent invention. Yet the number of personal bankruptcy filings has tripled since 1981. Now, with the filing rate eight times that of the Depression era, most people agree that something needs to change.

Specifically, a measure of justice needs to be injected into the system. There is nothing inherently immoral about financial problems—or about a system that helps people deal with such problems. The injustice comes when debtors receive more relief than they need. Although a small percentage of people find themselves with debts that are more than they could ever repay, more often than not the problem is that people are unable to meet creditors' demands for payment *right now*. In an ideal world, bankruptcy would protect a debtor from creditor harassment while he worked out a repayment plan. Each creditor, in turn, would receive his fair share of the debtor's budgeted payments. Only individuals for whom repayment was an unreasonable burden would receive a total discharge of debt.

The current system, however, is far from that ideal. Hundreds of thousands of Americans are treating debt discharge as an entitlement, wiping their financial slates clean regardless of their income or assets. But reversing this trend will involve more than tweaking the existing bankruptcy code, because the rise in filings—estimated to have begun around 1981—cannot be traced to any single change in law or economic policy. Rather, four key developments began taking shape around that time whose combined influence created a debt-default juggernaut that shows no signs of slowing.

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Nice n' Easy

To my friend Tom, the impetus behind the rise in filings is clear. "The system makes it too easy just to walk away from debt," he says. "It's a pathetic law."

He isn't far off base. Under the Bankruptcy Act of 1898, debt forgiveness was an ill-defined, cumbersome process. The Bankruptcy Reform Act of 1978 changed all that. Today's filing process is relatively quick, easy, and cheap, with court filing fees running well under $200. A debtor's first step is to determine which of the two main consumer filing options he needs, Chapter 7 or Chapter 13. Chapter 13 is known as a wage-earner plan. It allows debtors to shelter their assets from repossession while working with a court-appointed trustee to draw up a repayment schedule. Repayment plans typically last three to five years, at the end of which the remainder of the debt is discharged. Far more popular is Chapter 7 liquidation, which accounted for 70 percent of 1996 consumer filings. Under Chapter 7, debtors are allowed a certain number of property exemptions, broken down by category: $15,000 in home equity, $1,000 in jewelry, $8,000 in furnishings, and so on. Remaining assets are collected and sold off by a trustee, who distributes the proceeds to the various creditors. (The trustee receives a commission based on the amount recovered.) Most Chapter 7s, however, are ruled no-asset cases, which means unsecured creditors (those to whom significant collateral, such as a car or home, has not been pledged in case of default) rarely see any of their money. Certain types of debt are considered nondischargeable, including child support, recent IRS debt, and student loans. But for the most part, Chapter 7 gives people a fresh start.

Anyone is eligible for Chapter 7; petitions are almost never denied, except in cases where there's proof of "substantial abuse" (the definition of which remains vague). There is no minimum amount of debt or specific income-to-debt ratio required, and no distinction is made between the portions of a person's debt that they can and cannot repay. Tom, for example, makes over $75,000 a year. His decision to file bankruptcy stemmed from a five-car pile-up his vehicle was involved in three years ago. Even though Tom was not at fault, he was facing a $250,000 lawsuit. Bankruptcy, he determined, was his best option. But in addition to rendering pending legal claims pointless, Tom's Chapter 7 wiped away everything from his credit card bills to penalties he owed on back taxes. "The lawsuit was a debt that I could never have paid back," he says. "But since I was about to trash my credit history, I discharged some legitimate debts as well. There are guidelines about what you can and can't discharge, but there's no structure in place to check that. So I threw in a few little things just to see what the system will do with me. I doubt they'll even notice."

Tom admits he's abusing the system, but rationalizes: "I'm not an idiot. I'm paying a big price for being bankrupt, so I might as well take advantage of it."

To this end, Tom began planning for his filing months in advance. "I went and saw an attorney back in March. Right after that, I quit paying on my condo. I used that money to pay off debts that I wouldn't be able to discharge, like new taxes."

Although it may sound criminal, such asset juggling is perfectly legal, and is recommended by some attorneys and accountants as smart financial planning. Take the case of former corporate raider Paul Bilzerian. Several years ago, when, due to legal troubles, he was preparing to file bankruptcy, Bilzerian sunk $6 million into a mansion in Florida, where state law allows filers to exempt an unlimited dollar amount in home equity. Similarly, a Virginia millionaire preparing to file took advantage of his state's exemption allowance for one horse and invested close to $650,000 in a racing thoroughbred.

Of course, Tom also did some "asset readjustment" that wasn't kosher. One of the little things he failed to mention on his Chapter 7 petition was that, up until the day before filing, he owned a sailboat. Having read that the sale of assets up to six months prior to filing must be reported, Tom took care not to leave a paper trail: "I signed the boat over to a friend who wanted to buy it, then filed a pre-dated transfer-of-liability notice." It gets better. Rather than squirrel away the money (which would have been illegal), Tom had it diverted directly into the account of another friend whose larger boat he had been planning to purchase (a move both illegal and frivolous). "The guy I'm buying from has agreed to keep the boat in his name for a few months and just add me to his insurance. The money from the sale of my boat will never cross my hands."

Tom knows that his shell-game could mean big trouble if for some reason his bankruptcy trustee decides to launch a post-filing investigation. "But the trustee has 500 cases sitting on his desk," notes Tom. "He probably spent an hour total on mine. At the creditors meeting in January, he asked me exactly one question about my finances: Which Mercedes did I intend to keep? That's it! The only assets I turned over were one of our cars and a camera."

Now seems like a good time to point out that Tom is not a bad guy. He loves his new baby. He's good

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to his parents. He would do anything in the world for his friends. But he did not hesitate to stick his creditors with several thousand dollars worth of uncollectable debt, while simultaneously flirting with bankruptcy fraud. An upstanding citizen in other respects, Tom's willingness to walk away from his financial obligations reflects another key to the rise in filings: this culture's growing acceptance of bankruptcy.

No longer is filing bankruptcy tantamount to sewing a scarlet "B" on all your clothing. While this is in part the result of millionaires, celebrities, and major corporations joining in the debt-discharge orgy, it is also an outgrowth of our society's increasing reliance on debt spending. The Federal Reserve reports that consumer debt, having more than doubled in the past decade, has reached $1.19 trillion. And with consumer spending making up 68 percent of the nation's GDP, we have become a society in which living beyond your means is considered, not only acceptable, but downright patriotic.

Volumes have been written about what turned us from a nation of savers into one of feckless spenders. The favorite culprit is mass advertising and television, which drive consumerism with their message of instant gratification. But Hollywood and Madison Avenue can't take all the blame for this one. The government has done its share of spreading the message that debt is good for you, particularly in recent years. While regular deficit spending has been part of the U.S. fiscal agenda since the late 1940s, Ronald Reagan elevated the practice to high art. With his massive tax cuts and foreign borrowing, the Gipper showed the entire nation what kind of party could be financed with debt. As former Secretary of Commerce Peter Peterson writes in his book *Will America Grow Up Before it Grows Old?*: "Reagan gave us a spectacular consumption boom...a borrow-and-spend administration, a feel-good decade in which we could have it all—without the bother of actually producing it." As a result, Americans have developed a sense of entitlement to a certain lifestyle, a belief that a downturn in one's financial situation doesn't have to mean tough spending choices. We want it all, we want it now, and we don't want to worry about paying for it until next month.

Let's be clear. I'm not saying that everyone who files for bankruptcy is a cheat, a deadbeat, or a self-indulgent yuppie. Flipping through the filings at the District of Columbia bankruptcy clerk's office, you find numerous cases of people who fell on hard times. One December filing was by a single mother of two, who less than a year earlier had gotten off state assistance and taken a clerk's job paying just under $10,000 a year. Included among her reported debts were medical bills totaling more than $5,000. Clearly, this is a person for whom the bankruptcy system was intended.

My friend Tom, however, clearly is not—a fact he is unabashedly honest about. "People like me shouldn't get away with this," he admits.

While we're on the subject of exploiting the system, now seems the time to introduce the third major contributor to the bankruptcy crisis: the lawyers. Nineteen seventy-eight was a red-letter year for bankruptcy law. In addition to ushering in the Reform Act, which made the filing process infinitely quicker and easier—and thereby more lucrative—for attorneys, this was the year the Supreme Court overturned a ban on attorney advertising. As a result, it has become increasingly difficult to tell the lawyers from the used-car salesmen. Radio and television ads, billboards, and flyers tout bankruptcy as the quick, simple way to solve your financial problems. One Miami legal firm actually markets itself as The Bankruptcy Clinic. Even attorney Harvey Miller, a senior partner with New York's Weil Gotshal and Manges and a 25-year practitioner of bankruptcy law, admits the legal community has gone overboard: "Flipping through the TV channels at night, you see all these ads with lawyers saying, 'Don't be burdened with debt. There are legal means available.'" As a result, he notes, people are much more aware of the bankruptcy option.

Unfortunately, many lawyers are all too happy to file a no-fuss Chapter 7 for a client who might benefit just as well from some other option, such as debt consolidation or a repayment plan with an individual creditor. In areas where filing rates are high, "bankruptcy mills" have sprung up, legal firms comprising only one or two lawyers, and a team of paralegals to handle the actual filings. Overhead is low, and the firm can churn out dozens of Chapter 7 cases per month.

The Debt Peddlers

The most vocal critics of bankruptcy being treated as a quick-fix are the creditors associations, including Visa U.S.A. and the American Bankers Association. Their concerns are clear: The bankcard industry estimates it lost $4.7 billion to bankruptcies in 1995 alone, up 45 percent from 1994. With profit margins at risk, creditors are looking to overhaul a system they believe makes default too attractive for consumers.

But while the creditors blame the lawyers, the law, and society for the crisis, practically everyone else blames the banks for dispensing credit unwisely. George Salem, a securities analyst with New York's

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Gerard Klauer Mattison & Co., issued an investment report on the banking industry last June and later presented his findings at the House Banking Committee hearings on consumer debt: "[Personal] bankruptcies are up sharply because of the proliferation and looseness of credit card debt. No one at the lender level seems to care about overextension of debt, and human nature being what it is, most people believe they can afford more debt, when many simply cannot."

Without question, Americans are drowning in credit card offers. According to Behavioral Analysis Inc., more than 2.7 billion solicitations were mailed in 1995 alone. The reason: profit. The FDIC reports that, since 1990, the average return on assets of "credit card banks" (those with more than 50 percent of their assets in card loans) has ranged from two to four times that of other insured institutions. This kind of profit potential leads to fierce competition: There are currently an estimated 7,000 institutions issuing Visas and MasterCards.

In this rush to grab new business, banks have replaced careful debt underwriting with hard-sell marketing—loosening lending criteria, extending excessive credit to lower-income households, and tempting existing card holders with higher limits and low introductory interest rates. As Salem notes:"[C]ard issuance has taken on the character of mass-mailed advertising or promotion rather than a loan."

Banks insist that this "democratization" of credit helps feed the economy and enables low-income families to participate in the marketplace. But, as is often the case, what is positive in moderation can be lethal in the extreme. More to the point: While extending a $1,000 credit line to a family with a $10,000 annual income may be good democratic capitalism, extending the family multiple cards or $25,000 in credit borders on the criminal. Yet credit counselors and attorneys report that clients frequently come to them with debts on 8 or 10 or 20 cards. In reference to a former client who was the proud holder of 63 major cards, one Florida bankruptcy attorney asks: "Now if you're a bank and you pull this woman's credit report and see that she's got 58 cards, is it responsible to send her another one?"

"No one is sent a credit card against their wishes," says Philip Corwin, a Washington lobbyist for the American Bankers Association. "And no one is sent a card without applying for it." OK. Let's ignore for a moment that debt isn't so much the problem as is excessive debt, and that people's credit limits are frequently upped without their consent. The reality is that Americans aren't as financially sophisticated as we like to think; most people don't know what their credit card interest rates mean in terms of real dollars—or even what rates they're paying. (Be honest, how many of you know the exact rate you're paying on your cards?) To compound the problem, creditors encourage borrowers to carry large balances—and rack up interest payments—by liberally expanding the credit lines of customers who carry a heavy debt load, and by setting minimum monthly payments as low as 2 percent of the principal. Last year, General Electric went so far as to impose a $25 annual fee on "convenience users," customers who selfishly pay off their balance every month without allowing interest to accrue.

The result can be seen in the phenomenon of "creeping debt," says Alan Dubow, president of the Debt Relief Center, a national non-profit chain of financial counseling centers. "Say you have a $5,000 credit limit. If you charge $200 every month and pay off only $50 dollars of that, your debt will increase monthly by $150 plus interest. Now, because you are such a good customer and are making regular payments, by the time you reach your credit limit, the bank will most likely have upped it to $7,500 or $10,000." As a result of a creeping balance, often accompanied by multiple cards, Dubow says, "It's not unusual for people to come in with $20,000 worth of card debt."

Many people also assume that banks—which, after all, are in the business to make money—wouldn't extend a line of credit to a person who wasn't financially qualified for it. But, Dubow notes, just because someone eventually defaults on a card balance doesn't mean that the bank didn't make a profit. When a bank extends you a line of credit, he explains, they are working with a formula. They know that the average customer will charge a certain percentage of his income every month, then pay off a certain percentage of that balance at month's end. The bank can then figure out what its break-even point is, that point at which the bank has collected payments from you totaling more than your credit limit. After that point, even if you charge up to your limit and default, the bank has turned a profit.

Fair Play

Whatever their sins, however, creditors are dead-on in their criticisms of the current one-size-fits-all Chapter 7 bankruptcy. The entire concept of debt-forgiveness is based on overwhelming need, and the process should reflect as much. Yet, a 1996 study by Purdue University's Credit Research Center found that 45 percent of

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people in Chapter 7 had the ability to repay a third or more of their unsecured debt over a three-year period.

As undemocratic as it may seem, a form of means testing should be implemented. All debtors should initially be required to file a Chapter 13, after which, each case would be reviewed to determine what percentage of an individual's debts he was equipped to repay over time, or if the case merited a Chapter 7. This would protect those who need a full discharge, but prevent people with significant assets or earning potential from using bankruptcy as an easy out. A provision should also exist to allow someone like Tom, faced with one overwhelming expense, to discharge a specific debt without tossing out all his others. Currently, the court does allow debtors to "reaffirm" individual debts (i.e., reach a repayment agreement with specific creditors), but there is little incentive to do so.

Creditors say they'd be happy with this arrangement, and in fact, are proposing such a measure to the National Bankruptcy Review Commission, the panel set up in 1994 as part of a package of minor reforms to analyze the system. (The commission is scheduled to present its findings in October.) "If someone has the ability to repay a portion of their debts, they should file a Chapter 13," says Philip Corwin, adding, "Of course, if someone is either unemployed or income insufficient, our position is that's a mistake we made as lenders, and we'll have to eat it."

Certainly, no fair reform is possible until the issue of lending practices is addressed. Taking Corwin at his word—that is, holding banks accountable for their actions—might put a measure of prudence back into credit issuance. As a first step, banks need to provide customers with the basic information necessary to help them manage their debt. To this end, credit card statements would include information such as, "If your income is x amount, you should not be carrying a balance of over x amount." Or, "If you pay x amount each month on a balance of x dollars, it will take you x years to pay off your debt." Such data would help consumers understand the price involved with carrying a debt and enable them to make better-informed financial decisions. Of course, the actual dollar amounts might shock customers, but if lenders are genuinely interested in helping people use credit wisely, they need to be upfront about what those little interest payments can add up to.

To encourage banks to provide such data, court judgments about whether a particular credit issuer should be included in a debtor's repayment plan could be contingent upon whether that creditor had acted responsibly in its dealings with a debtor. Banks expecting to collect on a debt would need to show that they'd been reasonable in issuing credit to the filer, and upfront in keeping him informed of his debt load.

To make the system function more fairly and efficiently, a uniform national exemption policy needs to be set up. Currently, 35 states preempt federal exemption allowances with state ones, some dating back to the 1800s. These varying standards are what allow for abuses like the Florida mansions and Virginia racehorses.

Regardless of how smoothly the system runs, however, the additional steps involved with filing and evaluating each Chapter 13 would lengthen the process. But the debtor would still be protected from creditors from the moment he filed, and the additional work involved might slow attorneys' filing frenzy just enough to make them consider what other options might better benefit a client. (Considering the overall litigation-fest of recent years, it may also be time to retighten legal-advertising standards so that attorneys don't stray from the marketing of services into the promotion of specific ways for clients to milk the system.)

Extending the six-year wait now required before a Chapter 7 filer can declare bankruptcy again could also give repeat offenders pause for thought. (A 1996 survey by Visa found that 14 percent of filers had declared bankruptcy at least once before.) But this measure would need to be combined with tougher standards for reacquiring credit after bankruptcy. Currently, while quick to condemn debt default, lenders are even quicker to help filers re-establish credit—at the highest interest rate allowed. Some banks even target Chapter 7 filers because the customer can be charged steep interest rates and cannot declare bankruptcy again for six years. Such practices have removed a once major deterrent to filing.

Of course, the ideal solution would be to help people avoid falling into a position where they feel they need to file bankruptcy. And although economic disasters cannot be controlled, consumers can be educated as to the dangers of excess debt.

The concept of bankruptcy providing a fresh start is understandably appealing, but it shouldn't wipe away the concept of personal responsibility (which the country seems so eager to throw in the faces of welfare recipients). Why should the majority of Americans struggle to meet their daily expenses when their neighbors have decided simply to tear up the bills and start from scratch? After all, consumers who don't default on their debts wind up paying the price of bankruptcy in the form of higher bank fees and interest rates. And continuing to accept misuse of the system perpetuates the notion that the government should clean up our messes for us, because we are either too dumb or too self-indulgent to help ourselves. ●

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Tidbits & Outrages

It's Safest on the Floor Anyway

In a speech to shareholders, RJR Tobacco Co. Chairman Charles Harper recently addressed the issue of secondhand smoke: "If children don't like to be in a smoky room, they'll leave." As for infants, said Harper: "At some point, they begin to crawl."

For Dog Lovers Only

A Missouri company has begun marketing prosthetic testicles for neutered dogs. The jelly-bean shaped Neuticals range in price from $28 to $32—depending on which of the five sizes you want.

Quick, While He's Still Out!

In November, new FDA regulations went into effect which make it permissible to conduct experiments on people without patient consent, providing that the situation is an emergency, the patient is unconscious or unable to speak, and there is no relative available to speak for the patient.

Deep in the Heart of the NRA

Along with their December water bills, residents of Houston, Tex., received a holiday plea from the city to not ring in the New Year by shooting guns into the air. Similarly, the Dallas police department distributed flyers proclaiming, "Random Gunfire is a Crime. You Spray—You Pay!"

Attack of the Overpriced Dolls

In January, Mattel pulled its Cabbage Patch Snacktime Kids from the shelves after receiving more than 100 reports of the battery-operated dolls munching children's hair and fingers. One grandmother had to be taken to the hospital to have the toy's mechanical jaws removed from around her finger.

But Anyone Can Haze a Woman

The Citadel military academy prohibits cadets from cutting their own hair. Explains school spokesman Col. Terry Leedom: "Haircutting is like brain surgery: It is not a job for amateurs."

Complete with Love Seat

In Portland, Maine, last December, two people were charged with allegedly arranging for a 15-year-old girl to be sold into marriage for $250 and some furniture.

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An Accidental Victim

Greed is the culprit

By Brian Lamb

You would think the folks in Congress, the FCC, and other agencies in Washington would like C-SPAN. Our two networks, C-SPAN and C-SPAN2, provide millions of Americans with round-the-clock, ad-free coverage of news and public affairs events, including the floor proceedings of the U.S. House and Senate. Most everything we cover is televised from beginning to end, without interruptions or commentary. Every year, we transmit over 17,000 hours of programming, all aimed at informing viewers about our American system.

Our networks were created by just the kind of public-service initiative the government purports to foster: Without prodding by government mandate, cable television leaders created C-SPAN in 1979 to operate entirely within the private sector as a nonprofit company. Over the next 18 years, these same leaders have contributed more than $230 million to C-SPAN, and have not taken a penny of taxpayer money to support the project. Just as significantly, they set aside one or two of the highly-sought-after channels on their cable systems to carry C-SPAN.

From our first day of operation, C-SPAN programming has easily met the government's public-interest standard (the general legal standard radio and television broadcasters must meet in order to keep their right to use the public's airwaves). Despite that, it has been an upside-down world for C-SPAN whenever government policy is at issue—whether Democrats or Republicans were in charge. At a time when the major commercial networks are being prodded by Congress to serve the public interest with just 3 hours of children's programming per week, it's nothing short of ironic that the government keeps throwing regulatory roadblocks in our path.

Among the most egregious examples: the 1992 resurrection of an old rule requiring cable operators to carry local broadcast stations on their systems. The idea, successfully lobbied by the broadcast industry, was to preserve local broadcasting as cable's market dominance grew. This "must carry" rule might sound reasonable, but it put the federal government into the programming business—a questionable action on First Amendment grounds. And it had an unintended consequence: 3 million homes lost all or part of the C-SPAN networks.

Here's how it happened: "Must carry" forced systems to carry broadcast stations—even when hardly anybody watched them—just because they had a license to operate in a nearby area. Network affiliates were required to add nearby affiliates with programming nearly identical to stations they already carried. With limited channel capacity, a number of cable companies were forced to drop channels to comply with the rule. Some chose to drop C-SPAN. So several million cable subscribers are now able to watch a couple of extra shopping channels, or the same commercial network program on two or three different channels. But they've lost all or part of their round-the-clock eye on Washington.

Our experience in Portland, Oregon, demonstrates another perverse aspect of the rule: the way it has stretched the definition of a marketplace to give broadcast stations special access to communities that used to be beyond their reach. Seeing an opportunity in this new definition, the owners of an unused broadcast license issued to serve Eugene, Oregon, sold their license to the owners of the start-up Warner

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Brothers' Network. WBN promptly boosted the existing station's signal, and qualified for "must carry" status on Portland cable systems—100 miles away. To make room for the new network, C-SPAN2's coverage of the Senate was dropped from 96,000 Portland homes—just at the time many of Sen. Robert Packwood's constituents might have been interested in following our coverage of his ethics troubles. C-SPAN2 remains unavailable to this part of Portland to this day.

It gets worse. In the same '92 cable bill, Congress came up with another rule called "retransmission consent." Retransmission consent gave broadcasters the right to charge cable operators high fees for the privilege of carrying programming that the operators had previously been broadcasting for free (apart from paying low copyright fees). While cable operators naturally had no desire to pay the new fees, the networks were equally unwilling to pull their programming off the air in retaliation—after all, distribution is the name of the game. But the new law allowed the networks to play a complex game of chicken with the cable operators: In exchange for waiving the new fees, broadcasters insisted that cable operators hand over scarce channel capacity to carry new programming channels that broadcasters would create—regardless of whether there was any demand for them. Congress and the regulators didn't intend it, but their idea of retransmission consent helped the big broadcasters create a slew of new channels by guaranteeing special access for services like Rupert Murdoch's f/X, ABC/Disney's ESPN2, Scripps Howard's Home and Garden TV, and Microsoft/General Electric's MSNBC. Too bad that 1.5 million of the cable homes that got those channels got them at the expense of C-SPAN and C-SPAN2.

In Iowa, home of the quadrennial presidential caucuses, eight small towns lost their access to C-SPAN because of retransmission consent deals that brought them Murdoch's f/X channel. Unless the owner of those systems can find the capital to increase their channel capacity in the next couple of years, the residents of Algona, Audubon, Belmond, Centerville, Hampton, Laurens, Osage, and Pocahontas won't be able to watch when our "Road to the White House" series covers the Iowa caucuses in 2000.

By mandating preferential treatment for broadcast channels and commercial-station owner groups through "must carry" and "retransmission consent," the government has made C-SPAN—and other cable networks—second class citizens in the world of television. It's hard to believe that this is the kind of public interest the government originally had in mind.

There's more. Most cable systems are required by franchise agreements with the towns and cities they serve to set aside channels for use by the public at large, by educational institutions, and by the government. These so-called PEG channels are often used for their intended purposes; but just as often they remain dark or are rarely used. Since they were reserved to serve the public interest, dark PEG channels would seem to present an opportunity for the non-profit C-SPAN or C-SPAN2 to step in—especially in the markets where operators have had to cut back on our programming.

Not so. FCC rules are such that, once a PEG channel has been set aside, it remains set aside at least until the cable operator's franchise is up for renewal. Despite a national communications policy to regulate in the public interest, our lawmakers and regulators have taken such a narrow view of the PEG concept that here again, the C-SPAN networks are denied access to an audience.

In March 1996, the FCC presented us with yet another unintended, and still potentially serious, threat. Cable systems are mandated by federal law to reserve a portion of their channel space for lease to all comers (the infamous cable-access channels). The idea was to allow even the "little guys" access to cable systems. But prodded by "big guys"—regional home-shopping networks and others—the FCC proposed new rules that would have dramatically lowered the rates cable operators could charge to lease these channels. The result would have meant C-SPAN being pushed off many cable systems in favor of infomercials, shopping channels and gambling, and even programming like the "Blue Revue," which uses leased access to sell phone sex over cable systems in the San Diego market—all sanctioned by the government's leased-access rules. Only after strong protest from the cable industry did the FCC change its direction. Nevertheless, the new rules—announced in early February—still put our network at risk of being dropped or cut back.

For C-SPAN, the '90s have become the decade of recurring regulatory roadblocks. Most recently, in trying to manage the merger of Time Warner and Turner Broadcasting, the government—this time the Federal Trade Commission—again seemed to have blinders on to C-SPAN's style of news and public affairs. In pursuit of some vision of managed competition, the FTC ordered Time Warner to place a 24-hour news channel on some of its cable systems as a competitor to its newly acquired CNN. It seems that, according to the federal government, C-SPAN did not qualify as a competing news channel because we're not supported by paid advertising, don't carry sports news, and don't report on the weather. By the FTC's standards, the early Huntley-

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Brinkley reports, lacking both sports and weather, wouldn't have been considered "news" either.

But this is more than an issue of wounded pride at having been defined right out of the news business. The FTC's ruling meant that C-SPAN was faced with yet another competitor for limited channel space, thanks solely to Washington's meddling. When the government prescribes how channels should be allocated—a bit like telling a bookstore which books it should sell—it automatically handicaps networks like ours that don't hold a broadcast license, and therefore don't benefit from such mandates.

These examples are not the whole story. But taken together, they account for C-SPAN or C-SPAN2—and sometimes both—being cut back, interrupted, or dropped from almost 9 million households over the past five years. Obviously, our network must be doing something wrong to be so disliked, or simply ignored by the federal government. What could it be?

The answer, as it so often is in our society, is money. Commercial broadcasters get free licenses from the government for airwaves belonging to the public from which they make billions of dollars. This virtually guarantees that those networks will get lots of attention—from the government and the public—both when they resist airing programs in the public interest, and again when they actually agree to do so. And although they are not-for-profit, public broadcasters also get plenty of attention when they sign big underwriting contracts from corporate America, buy expensive programming series, and seek operating funds from Congress or their viewers.

Apparently C-SPAN's great mistake has been to attempt to serve the public without asking the government for either permission or money. In today's society, is our network considered misguided because we never sought to create any wealth for anybody? Did we err in trying to keep our programming costs in line, spending conservatively in a big-money business? We thought it would encourage more people to carry our public-service programming, but what it has really done is make C-SPAN nearly invisible to federal rule writers. "Public interest" is a much-vaunted American ideal, but when you seek simply to operate in the public interest, without making or spending big bucks, you get ignored. Money drives the American engine, in television and elsewhere.

No, the government doesn't hate C-SPAN. Somehow, our network just keeps falling between the cracks when the rules are written.

In this context, the cable industry's continuing support of the C-SPAN networks is worth noting. After all, cable operators are in business to make money, too. Yet, despite the examples cited here, most systems have juggled channel lineups to retain C-SPAN, even in the face of "must carry," retransmission consent, leased access, rate regulation, PEG requirements—and whatever else the government has thrown at them. And they've done this even though C-SPAN, unlike most other programming services, costs them money and offers no chance to recoup their investment through advertising sales. In current Madison Avenue parlance: They're just doing the right thing. But the government certainly hasn't made it easy.

So, what does C-SPAN want? No favors from the government, but no artificial impediments, either. Left to compete in a truly free marketplace, C-SPAN has shown in the past that it can flourish. But Congress has been playing favorites in the television marketplace and, in so doing, has begun to stifle its own voice. ●

"This week marks the first anniversary of President Clinton's signing of [the Telecommunications Act] he...said would spur marketplace competition to give consumers 'the benefits of lower prices, better quality, and greater choices in their telephone and cable systems.'

But conglomerates, not competition, now drive TV: prices are higher, choice is less, and 'better quality' means more Murdoch and less C-Span....As Gene Kimmelman of Consumers Union says, 'Now that stock prices are falling, cable companies will do anything to boost earnings.'

Public service or even public relations may stand little chance against the imperatives of the bottom line. The merger-enhanced Time Warner-Turner and Tele-Communications Inc. now control what roughly half of America's cable subscribers see. You don't find them or other cable companies ejecting sex or shopping or pay-per-view channels to make room for C-Span 2, let alone for outspoken, independent programming that might be produced by some minority voice not owned by themselves, Disney, Fox, Viacom or GE.

We're inured by now to our media giants being greedy, but when a democracy's flow of information is being restricted, something far more important than our monthly cable bill is at stake."

FROM FRANK RICH'S "JOURNAL" COLUMN
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The Myth of the Two-Front War

Over-preparing for a two-front war that will almost certainly never occur is costing us billions

BY LAWRENCE J. KORB

Since the end of World War II, the United States has decided that it is in our national interest to maintain a large standing peacetime military. But the appropriate size and shape of a peacetime military force is a subject of acrimonious debate in this country. The debate is so heated because the outcome determines how much this nation will spend on defense as well as the roles and missions of each of the four armed services. This debate promises to occupy much of the time of William Cohen, Clinton's new defense secretary. Before outlining the choices confronting Cohen and the country, it may be useful to discuss briefly how this issue has been handled over the past half-century.

In the 1950s, President Eisenhower, fearful of bankrupting American society and of the power of the military-industrial complex, limited the military to a fixed percentage of GDP and adopted a policy of relying on nuclear weapons to make up for any perceived shortfalls in the size of the conventional forces. The Kennedy administration felt the military should be able to fight simultaneously two major conventional wars, one in Europe and one in Asia, as well as handle a minor contingency in the Third World. This necessitated a large increase in force size or structure and in the level of defense spending even before the war in Vietnam.

In the early 1970s, Richard Nixon eliminated one of the major wars from Pentagon contingency planning and slashed defense forces and spending accordingly. Ironically, Nixon used the defense dividend to double aid to state and local governments, index entitlements, and establish EPA, OSHA, and AMTRAK. (No wonder Mark Shields calls him our last liberal president.) This "one and a half war" policy remained in effect until Ronald Reagan adopted a strategy of horizontal escalation, which postulated that any war with the Soviet Union would automatically be a world-wide conflict, not confined just to the European theater. This enabled Reagan to rationalize increasing defense spending by over 50 percent in real terms in his first four years in office.

The military strategies of each of our Cold War commanders in chief was subject to intense criticism during his time in office. Eisenhower was criticized for relying too much on nuclear weapons and for allowing a "missile gap" to develop; Kennedy for embracing a strategy more ambitious than his budget; Nixon and Carter for spending too little on defense and thus creating a hollow military; and Reagan for spending far more than was needed to get the Soviets to call a halt to the Cold War.

When the Soviet Empire began to collapse in 1989, General Colin Powell, then the chairman of the Joint Chiefs of Staff, fearful that Americans would demand "too large" a peace dividend, developed the Rogue Doctrine. This doctrine postulated that in the post-cold war era, the military threats to the U.S. would come from rogue states like Iraq, Iran, Syria, Libya, Cuba, and North Korea, and that the U.S. needed to be able to handle at least two of these rogues simultaneously. Powell reasoned that if the U.S. had only a one-war capability, North Korea, for

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example, might be tempted to take advantage of the U.S. while this nation was fighting a war in the Persian Gulf . Handling these two major regional contingencies (MRCs) simultaneously, Powell argued, would require a force structure and spending level approximately 25 percent below the 1990 level, but more, in inflated adjusted dollars, than was spent in the Nixon and Carter years, and about 90 percent of the average level of defense outlays in the entire cold war period.

In the 1992 campaign, candidate Bill Clinton and then House Armed Services Committee Chairman Les Aspin (D-WI) criticized Powell's approach as top-down and promised that a Bottom-Up Review (BUR) would yield a smaller and less costly military. When Clinton took office, he installed Aspin in the Pentagon to do his Bottom-Up Review. But when the BUR was completed, Aspin came out with essentially the same force structure and budget levels as Powell, and more in real dollars than either Nixon or Carter.

This year, under pressure from the Republican Congress, which argues that there is a mismatch between the strategy and the amount of resources made available by the Clinton administration, the Pentagon is revisiting the two-MRC strategy in a process called the Quadrennial Defense Review (QDR). Because it may have such a large impact upon the amount and distribution of defense spending, the QDR is generating considerable controversy. Within the Pentagon, the administration, on the Hill, and in the policy community, to date five different viewpoints have been expressed.

One group of analysts supports the Powell position that the U.S. has no choice but to retain the two-regional-war strategy. To do any less would not only jeopardize our vital national security interests, but would undermine our status as a world leader and global superpower. Secretary of Defense William Perry, in his last days in office, argued that the two MRCs is an existential fact. According to Perry, we do not have a choice about two MRCs because we cannot wish away the reality that we might be faced with two regional conflicts simultaneously. Not surprisingly, Perry's position is most strongly supported by Army Chief of Staff Dennis Reimer. He argues that the threat of war in Korea and the Middle East means that the nation cannot afford to relax its two war scenario and thus must maintain a large army.

A second group of analysts holds that planning for two simultaneous major regional contingencies is like buying meteor insurance, a needless luxury. Proponents of this view, point out that when the U.S. was bogged down in Korea, Vietnam, and the Gulf, no other nation took advantage of that fact by starting a conflict somewhere else in the world. They argue that even if the U.S. was temporarily unprepared to fight a second regional conflict, the potential aggressor would have to know that the U.S. would eventually be able to bring awesome military power to bear against it. Both the current air force chief of staff, Ronald Fogelman, and his predecessor, Tony McPeak, support this position because it would mean smaller ground forces and more funds for airpower.

A third group holds that the U.S. should not plan for two MRCs because maintaining the requisite force size in an appropriate state of military readiness consumes too large a portion of the defense budget. Consequently, the modernization or investment account is under funded. Members of this school of thought accept the Joint Chiefs' position that the U.S. should be buying $60 billion worth of new weapons annually rather than the current level of about $40 billion. Funding at this level would allow the Pentagon to spend $86 billion to purchase 422 F22 air superiority fighters, $78 billion for 1,000 F/A-18E/Fs, $220 billion for 3,000 joint strike fighters, and $50 billion for 425 V22s. In his confirmation hearings, the new secretary of defense, William Cohen, indicated that the Pentagon must increase procurement funding as soon as possible; not 10 years from now.

A fourth group argues that the U.S. military should focus more on its peacekeeping or peace-enforcement capabilities as opposed to the MRC's. People with this view argue that U.S. forces are much more likely to be engaged in a Bosnia-, Haiti-, and Rwanda-type situations than a major war in the Gulf or on the Korean Peninsula. Therefore, while the U.S. should always have the capability for handling at least one major contingency, it should also have a substantial peacekeeping force. Analysts refer to this as a "one war plus" strategy. It too is supported by air force leaders.

A fifth group holds that even within budgetary constraints, the Pentagon can have a two-war strategy and still fund its modernization needs by becoming more business-like. Proponents of this view argue that the Pentagon can free up about $100 billion over the next five years by reforming the procurement process, eliminating excess infrastructure and support (more base closings, consolidate intelligence, logistics), exploiting new technologies rather than buying more platforms, and cutting back on the readiness of some of the combat forces (readi-

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ness spending per capita is higher than it was in the cold war). These savings then can be applied to funding modernization and paying for peacekeeping operations, while maintaining the combat force structure necessary to fight two major regional contingencies. Senators like Charles Robb (D-VA) and John McCain (R-AZ) and Congressmen like Speaker Newt Gingrich (R-GA) and House Budget Committee Chairman John Kasich (R-OH) are advocates of this view.

However, what is missing from the official debate is a realistic assessment of the threat, a rational discussion of the amount actually needed for modernization and peacekeeping, and a true understanding of how much the U.S. is spending on defense compared to our potential adversaries. When each of these areas is analyzed dispassionately, it is clear that the official debate is taking place along the wrong lines.

As a result of the BUR, the Pentagon argued that it would need a force of 11 ground divisions, 10 tactical air wings, and six aircraft carriers or some 400,000 people in each theater. In deciding how many forces to send to Korea, the Pentagon postulated that each North Korean soldier was as effective as an American and 30 percent more effective than a South Korean fighting person. Talk about worst case analysis. Given the small amount of training done by North Korea and the age of its equipment, it is hard to make a rational argument that a North Korean soldier is more effective than a South Korean, let alone an American. A recent intelligence assessment concluded that the South Korea military could handle North Korea, by itself. This is not surprising given that South Korea has twice the population and 50 times the GDP of the North.

Similarly, when deciding upon what forces to send to the Persian Gulf, the Clinton administration assumed that we would be fighting the pre-Desert Storm Iraqi military by ourselves and would let Iraq take Kuwait again before we evicted them. The current Iraqi military threat is less than half of what it was in 1990. During the Persian Gulf war, our European and Arab allies contributed about 200,000 people to the conflict. And unlike 1990, the U.S. has 20,000 troops in the region and the capability to double that force in a matter of days. In 1994 and again in 1996, this capability deterred Saddam Hussein when he moved his forces toward the Kuwaiti border.

The Joint Chiefs' figure on the amount needed for modernization has us in a race with ourselves. No other nation in the world is modernizing or recapitalizing their force at anywhere near the rate we currently are. For example, the current modernization or investment budget of the U.S., which the chiefs argue is too low, is 40 percent more than all our allies combined, 75 percent more than either Russia or China, and 90 percent more than Iraq and North Korea together. Since we already enjoy a vast technological edge on the rest of the world, and are already investing more than anyone else, why is more needed? Why, for example do we need to buy a new generation of air superiority fighters when the F-16s, F-15s, and F/A-18C/Ds we have are already the best in the world. Nor is peacekeeping gobbling up large portions of the defense budget; from 1992 to 1996 it cost less than $20 billion.

Finally, there is the myth that Clinton has slashed defense spending well below the level he inherited from President Bush. It is true that in his first year in office Clinton cut the proposed $1.4 trillion Bush 1994-1998 defense program by $127 billion, or less than one percent. However, in the 1994-1996 period, Clinton and the Republican Congress have added almost all of those funds back. In order to preempt Congress and show how tough he is on defense, Clinton himself added $70 billion to his own program, and Congress has added (and Clinton approved) another $20 billion. Even before these additions, U.S. defense spending already exceeded that of all the major powers in the world combined. Moreover, when one adds the expenditures of our NATO allies, Israel, Japan, and South Korea to ours, we account for 80 percent of the world's total expenditures.

A realistic QDR could reduce defense spending significantly without jeopardizing our national security. An objective assessment of the threat would show that we have more than enough forces to protect our interests in the Persian Gulf and on the Korean Peninsula, and that our forces are already increasing their technological advantage at the current levels of defense spending. Moreover, history and logic make it clear that it is not likely that two conflicts would erupt simultaneously. Finally, getting the Pentagon to be more businesslike could save about $100 billion over the next five years. Thus, the Pentagon budget could easily be reduced significantly. As Newt Gingrich recently put it, the Pentagon could be shrunk to a triangle. But it will not happen with a Democratic president afraid to challenge the military and a Republican Congress sensing that the president is vulnerable on defense. A real QDR apparently will have to wait until an Eisenhower- or Nixon-type Republican comes to power again. In the meantime, we will continue to spend billions of dollars more than is necessary. ●

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Who's Who

BY SUSAN THREADGILL

- *Deep Throat Parties*
- *Alan Shrugged*
- *Lott's Revenge*

Why did **Harris Wofford**, who enjoyed strong union support, fail to get appointed Secretary of Labor, the job he was widely rumored to be slated for by the White House? The inside story we hear is that **Al Gore** was determined to give the HUD cabinet post to **Andrew Cuomo**. This, in the diversity calculus that seems to govern these matters in the Clinton administration, was the last white man's slot available, and meant that hispanic **Federico** (ValuJet is safe) **Peña** got Energy and that black **Alexis Herman** has to be proposed for labor.

Washington's great revolving door never stops. The latest example is **Linda Daschle**, wife of Democratic Senate minority leader **Tom Daschle**, who is leaving the FAA, where she was acting administrator, to join the law firm of former Republican Senate minority leader **Howard Baker**. Another: **Tom O'Donnell**, who was chief of staff to White House economic guru **Laura D'Andrea Tyson**, is joining the Patton and Boggs law firm. The firms will say they are acquiring expertise and would, of course, never even think of using whatever influence their new members might possess.

In a recent speech, the newly retired senator from Wyoming, **Alan K. Simpson**, described one of the pleasures of being out of politics: "When someone walks up to you at a gathering, puts their hand over their name tag, and says, 'I bet you don't know who I am,' I can say, 'No, and I don't give a rat's ass.'"

Incidentally, have you noticed how many White House staff members have their own chiefs of staff? Thus **Kathleen Wallman** recently became **Gene Sperling**'s chief of staff, replacing **Jason Goldberg**, who is becoming special assistant to **Clinton**'s chief of staff **Erskine Bowles**, who of course has his own chief of staff, **Victoria Radd**.

In our December issue **Michelle Cottle** identified Tennessee Sen. **Fred Thompson** as a dark horse for the Republican nomination. Three facts that might keep him dark have recently come to our attention. **Linton Weeks** of *The Washington Post* reports that many Tennesseans believe Thompson is too laid-back to run for president. "He's not an early riser." More damaging may be the revelation by **Richard Nixon**'s White House counsel **Leonard Garment** in his new book, *Crazy Rhythm*, that when Thompson was minority counsel of **Sam Ervin**'s Watergate investigating committee, he was secretly being supplied with pro-Nixon materials and questions by the Nixon White House—roughly comparable to Christopher Darden's taking his marching orders from Johnny Cochran. And to top it all off, **Dick Morris** says in his book *Behind The Oval Office*, that Thompson reneged on a promise to vote for **Trent Lott** to be majority leader. Politicians like Lott usually find occasion to return such favors and they often pick the moment when they can do the most damage to the career of the one who wronged them.

Did you know a general can order a subordinate officer to keep logs of the general's conversations, including his discussions with foreign leaders, and then upon leaving the service claim that the logs are his private property? That, we are learning from investigators into the mysteries of the Gulf War syndrome, is just what **Norman Schwarzkopf** did. And his position has been upheld by the Pentagon inspector general. Hmm.

Lanny J.Davis, who is not the **L.J.Davis** whose article on **Charles Keating** appears in this issue, has some personal experience that seems to make him especially qualified for his new post as the White House defense person for Whitewater issues, at least according to the attorney for one of his partners in a failed business venture. When the venture's creditors came attempting to collect from the partners, Davis, the attorney told **Stephen Labaton** of *The New York Times*, would say, "My wife didn't sign anything, so I've got nothing to lose."

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Garment's book may shed light on another mystery of that era, which was how the liberal *New Republic*'s **John Osborne** had such good sources in the conservative **Nixon** White House. The clue is that Garment's book is dedicated to Osborne's memory.

In light of the above, and a report from a friend of ours who recently saw **Garment** locked in conversation with **Bob Woodward** at a party for **Katharine Graham** given by **Ben Bradlee**, should we add another suspect to the list of possible **Deep Throats**?

In case you missed it, here's what White House Press Secretary **Mike McCurry** said when asked what he thought of the scenario of a feeding chain between "nut-case" conservative groups and publications like *The Washington Times*, which is laid out in a summary made available to the press of the 331-page White House report on the subject: "I believe that summary—that—it provides—I mean, that's the material—it supports the material that—I mean it explains and describes the material that is attached to it."

Dennis R. Boxx has just been named communications director of the National Reconnaissance Office, the super-secret agency that operates our spy satellites. It's so hush-hush that, according to a source of our pal **Al Kamen**, Boxx may be running "the only public affairs office in town that has no phones."

Another tidbit from Len Garment's book is his description of **Diane Sawyer** during the period she worked under Press

Secretary **Ron Ziegler** in the Nixon White House: "Diane Sawyer was one of these Stakhanovites, constantly working. She did her rounds early in the morning, and was still laboring when I left around midnight—editing, typing, packaging, dispatching hopeless answers to un-answerable questions. She always had the same look: a skirt or jeans with a baggy sweater, a kerchief around her head, bottle-thick glasses, no makeup." It would seem that **Hillary Clinton** is not the only woman to have undergone a major change in appearance since the 1970s.

Bill Clinton is said to dislike **Louis Freeh** and to have serious doubts about his competence. Well, why then doesn't the President fire the FBI director? Perhaps, it is because he fears it would be interpreted as an act of revenge for FBI help to the various special prosecutors.

For those of you who can stand one more item from the Nixon era, read on: **Richard Nixon** was especially proud of his role in championing **Whittaker Chambers** against **Alger Hiss**. What did Chambers think of Nixon? We find out in *One Man's America*, the autobiography of **Henry Grunwald**. Grunwald, a former editor of *Time*, who in his early days was a protege of **Whittaker Chambers** when Chambers was the magazine's foreign editor, tells of a conversation he had during the 1960 campaign in which **Richard Nixon** was running for president against **John Kennedy**. Nixon, you will recall, had become a national political figure by supporting Chambers against Hiss. "Early in 1960, Nixon had asked [Chambers] to lunch. Chambers came away unhappy. Though he had every reason to support him, Chambers felt that Nixon lacked deep conviction...he told me 'I rather pity him.'"

Did you know that seemingly sober **Alan Greenspan** was once a devotee of **Ayn Rand**? So swears **Martin Mayer** in his new book *The Bankers*. Mayer says Greenspan once wrote "a truly nutty piece" for her magazine.

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Will Charlie Keating Ride Again?

Congress is once again looking at banking deregulation. Will it ignore the lessons of the past?

BY L.J. DAVIS

"What has once happened, will invariably happen again, when the same circumstances which combined to produce it, shall again combine in the same way."
ABRAHAM LINCOLN

"Greed is healthy."
IVAN BOESKY

Last October, as the O.J. Simpson saga roared into its 2000th irritating hour and the Whitewater hearings cost taxpayers yet another ten-grand, an equally significant event quietly took place in the American justice system: Charles H. Keating Jr. was released from jail.

You remember Charlie, the poster boy of the savings and loan catastrophe of the 1980s. Well, despite his role in the regrettable disappearance of $2.5 billion in taxpayer-insured funds, Keating was released on October 3, following a court ruling that jurors at his 1993 federal trial had been inappropriately influenced by their knowledge of Keating's conviction in California state court. Keating's state convictions had been overturned in April, because his trial judge, the now notorious Lance Ito, had given improper instructions to the jury. Then on December 2, the remainder of his criminal convictions were thrown out by a federal district court in Los Angeles. The U.S. attorney's office is still deciding whether to retry the case.

But why revisit the Keating story now? Seven years have passed since his Lincoln Savings and Loan became the symbol of an industry gone mad. Whole reams of newsprint described his doings and his sins, and his face appeared so often on the nightly news that it was imprinted on the collective consciousness of the nation. The case is closed, the story is over, and Charlie Keating is ancient history.

Well, not quite.

By a curious paradox commonplace in financial crimes, only a fraction of Keating's antics—not including his intimate connection with Michael Milken, another emblematic felon of the Decade of Greed—made it into the spotlight. Reporters concentrated on his lavish lifestyle, the fact that he tried to buy the Phoenix City Council, and that he was able to get one of his associates appointed to the Home Loan Bank Board, the federal agency that monitored his activities and had the power to stop him cold. (This was likened, correctly, to John Gotti getting one of his sidekicks appointed deputy director of the FBI.) It was also noted that he knowingly sold millions of dollars worth of valueless securities to thousands of people; erected a pyramid to himself in the Arizona desert in the form of a ridiculously extravagant hotel; and somehow managed to mislay $2.5 billion of the taxpayers' money. But much of what he did was never reported.

There are a number of reasons for this. Most reporters have to make sense of something by six o'clock in the evening, and major financial crimes such as Keating's involve the sort of mind-numbing-

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ly tedious, specialized analysis that most reporters, their other virtues aside, are not trained to do. In addition, complex financial crimes take days and weeks to explain in court, using language heavily freighted with obscure terms. Even then, there is no guarantee that a judge and jury will understand; therefore, prosecutors usually base their cases on the simplest and most comprehensible of the criminal's misdeeds—in Keating's case, robbing widows and orphans. As a result, the greater crimes are almost never revealed, and their larger meaning remains unknown. True to form, Keating and Milken's greater misdeeds never saw the light of day. So why revisit them now, aside from the fun in revealing an old but untold story—and, of course, the entertainment value of Charlie Keating?

The answer is both simple and urgent: deregulation. While Congress's drive to free industry from the clutches of big government may not be quite as maniacal as before last November's elections, the urge is still deeply rooted in the soul of the GOP—which, if you'll recall, remains firmly in control of both houses. And with the banking industry at the forefront of those clamoring to be freed from their regulatory shackles, the nightmare of the S&L years could easily happen all over again. As a result, now may indeed be the perfect time to explore the full magnificence of Keating's big adventure—keeping in mind, of course, that the next financial disaster, if it comes, will be infinitely greater.

Free Rein

In 1982, flying in the face of everything known about banks, bankers, and human nature when they are placed in the vicinity of a huge sum of money, Congress passed the Garn-St. Germain Act. This deregulated the nation's thrift industry and threw wide the doors of the S&Ls to anyone with a plausible story, a fistful of cash, and a visible desire to start doing all sorts of wonderful and imaginative things with the taxpayer-insured deposits.

The passage of Garn-St. Germain found Keating at loose ends. The home-building business he then headed was not in terrific shape, and although President Reagan had tried to appoint him ambassador to the Bahamas—which would probably have saved everybody a tremendous amount of trouble—the appointment fell through when members of the Senate discovered that in 1979, the Securities and Exchange Commission had filed a complaint against Keating and his then-mentor, Ohio billionaire and big-time political donor Carl Lindner, for allegedly violating anti-fraud, disclosure, and proxy provisions. (Lindner eventually settled with the SEC for $1.4 million.) But Garn-St. Germain, Keating was quick to realize, changed everything. True, he didn't have enough money to buy an S&L suitable to his purposes, but he knew Michael Milken. In turn, Milken and his brokerage firm, Drexel Burnham Lambert, were looking for funds to create their dreamed-of junk bond network. It was a meeting of minds.

The trick, Keating came to realize under the guidance of Milken, was not to find just any old S&L, but a particular kind of S&L. Garn-St. Germain had dramatically increased the powers of the thrifts and dramatically reduced the powers of the federal watchdogs, but the states still had their own regulations. By a happy chance, however, California had just passed a new law allowing the owner of a thrift to invest 100 percent of his federally insured deposits in anything, anything at all. Keating soon set his sights on a well-run southern California thrift named Lincoln Savings & Loan.

In 1983, Milken's Drexel underwrote a $125 million debt-offering for Keating's American Continental Corporation—an event largely overlooked by the press. It was, California Commissioner of Savings and Loans William Crawford later told the House Banking Committee, "window-dressing," meaning Drexel managed to give Keating's floundering ACC the appearance of ruddy good health and luminous solvency. Next, Drexel underwrote a $56 million preferred stock issue of ACC. Keating took $51 million of the money and bought Lincoln. In other words, Drexel bought Lincoln for Keating. Drexel also secretly purchased a substantial hunk of the thrift for itself. The firm reserved 10 percent of Lincoln's stock, a fact that Drexel and Keating tactfully failed to mention to regulators until 1985, when they revealed their relationship so quietly the regulators failed to notice it.

In buying Lincoln—where he never held an official position because, as he later blurted out to a Seattle regulator, he "didn't want to go to jail"—Keating committed a number of promises to writing. Among others, he pledged to retain Lincoln's experienced executives and to continue its slow, steady, unglamorous (and sound) policy of basing its business on home loans. Keating immediately did neither of these things. Lincoln all but suspended its home loan operation, and company officers were replaced by ACC staffers who were essentially devoid of banking experience. With his plan thus in place, Keating set about purchasing $2.7 billion in junk bonds, almost all of them

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(or at least the ones that regulators later inspected) from Drexel. And when examiners from the Federal Home Loan Bank of San Francisco, Lincoln's primary regulator, got around to taking a good look at Keating's notion of an S&L, they found a number of strange and alarming things about Lincoln's junk bonds.

"Lincoln's Investment Department," San Francisco wrote in its confidential examination report, "consisted of an executive vice president, an investment manager and two investment analysts.... Not one of these investment managers or analysts had worked for an investment banking firm. Not one of their résumés reflected pre-Lincoln experience in analyzing corporate debt or equity securities."

Even so, an inexperienced investment staff can quickly become knowledgeable as it performs the exhaustive, painstaking analysis of the companies and financial instruments that are candidates for the institution's investments. This research and analysis, considered essential by virtually all investment houses, is called "due diligence." Lincoln performed no due diligence.

Instead, when word reached Lincoln that the San Francisco examiners were on their way, Arthur Andersen, the Big Eight accounting firm that was Lincoln's auditor, dispatched a team to "stuff the files" with the sort of documents that other financial institutions consider vital to making investment decisions. But Arthur Andersen didn't do the job very well.

"[The] analyses prepared by Arthur Andersen in no sense document the justification for securities purchases," said the examination report. "Nor were they 'due diligence' reports in any meaningful sense. ... They were essentially cut-and-paste jobs."

The people at Lincoln and Arthur Andersen gave many and conflicting reasons for this state of affairs, but to the examiners, the most persuasive explanation came from Lincoln's own in-house legal counsel, Mark Sauder. The cut and pasted documents, Sauder said, had been put in the files for the examiners to find, and for no other reason.

But it gets worse.

A soundly-run investment operation will hedge its bets by seeking the advice of, and making its investments through, a number of different brokerage houses. Lincoln, the examiners concluded, did neither of these things. Instead, "[i]n the junk bond files that we have examined," wrote Professors Alan Shapiro and Mark Weinstein of the University of Southern California in a study made for San Francisco, "the only broker dealt with is Drexel Burnham Lambert."

AP PHOTO/NICK UT

Charles Keating should have taught us all a lesson about the potentially disastrous effects of financial deregulation.

The great danger of using a single broker is that an investment house (and the people whose money it is investing) will fall prey to the brokerage's hidden agendas—agendas which often involve a broker's desire to get rid of something no prudent investor will touch. Indeed, even the most casual examination of Lincoln's junk bond purchases reveals a number of Mike Milken's greatest hits, together with some of his biggest dogs. For example, in 1986 Lincoln invested $100 million in the Ivan Boesky Limited Partnership, with Drexel charging a $4 million brokerage fee. The investment constituted 24.6 percent of Lincoln's junk bond portfolio and a remarkable 57.5 percent of Lincoln's net worth. Boesky was the emblematic risk arbitrageur of the 1980s, and Lincoln's examiners regarded the Boesky investment as extraordinarily risky. If Boesky lost the thrift's $100 million, he was not on the hook, Drexel was not on the hook, and Lincoln was not on the hook. The taxpayers were.

"When examiners asked Lincoln for its analysis of this investment," the government remarked, they found that "Lincoln's written 'analysis' of a $100 million investment...consisted of a grossly inadequate two-page memorandum that consisted largely of a report on a conversation with a broker who had a vested interest in selling the notes." (Boesky later paid a $50 million fine and went to jail for his financial mis-

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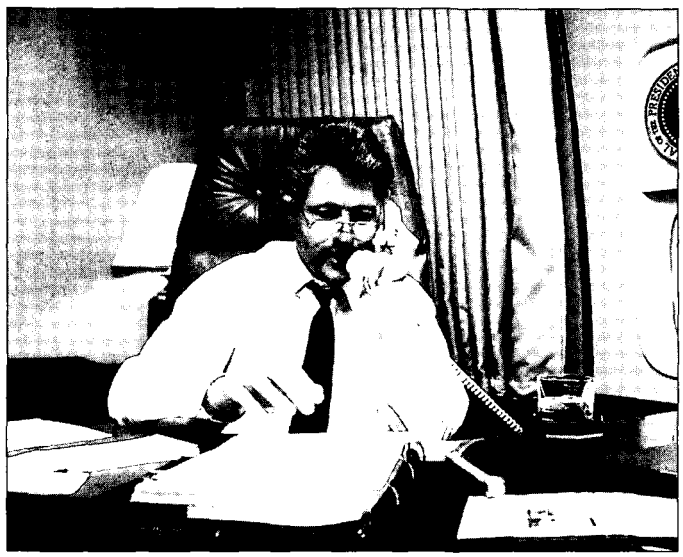
deeds, taking Milken down with him. Lincoln got its money back, but not the returns it had been promised; Lincoln would have been better off putting the taxpayers' money in a bank.)

The government's conclusion: "Keating," says a lawsuit filed by the Federal Deposit Insurance Corporation and the Resolution Trust, "purchased or sold junk bonds as directed by the Milken Group."

Aside from his dealings with Drexel, what else did Keating do with Lincoln's—i.e., the taxpayers'—money? A lot of things, far too many to be documented here. Keating made many strange loans and participated in weird real estate deals. For example, in 1987 Lincoln made a $30 million loan to a company controlled by two close political associates of Sen. Dennis DiConcini of Arizona. The company was in terrible shape, the loan was unsecured, and it was granted on a non-recourse basis: If DiConcini's associates defaulted on the loan, they didn't have to repay it. A loan is rated at its face value—in this case $30 million—plus accrued interest, and it is usually possible to recover money when a loan is bad; the collateral can be seized and the salary of the lender can be garnisheed. But DiConcini's associates pledged no collateral, and their company's few assets were overshadowed by huge liabilities. When the examiners looked at the loan, they estimated its value—to Lincoln, that is—at $0. It was not a bad loan; it was a disastrous loan. It could not be repaid, it would probably never be repaid, and it should never have been made to begin with.



THE WHITE HOUSE

Clinton and others in Washington are now looking at banking deregulation—suggesting that, in fact, they didn't learn a thing.

"The transaction," Richard Newsom, senior examiner for the California Department of Savings and Loans, told the Banking Committee, "was so strange in its magnitude...to a company with liabilities off the chart. We felt that the link to a U.S. Senator...should be brought to the attention of the appropriate officials, the FBI..."

Clearly, Newsom had his suspicions. To understand what they were, a spot of background is in order.

By 1987, when San Francisco made its examination of Lincoln, an alarmed Federal Home Loan Bank Board was aware that Garn-St. Germain had created a financial catastrophe of unknown dimensions. Under Chairman Edwin Gray, a Reagan appointee of unusual integrity, the Bank Board began to impose a number of existing but long-neglected rules in an attempt to restore a measure of sanity to the situation. This move did not please the White House, and it did not please Charlie Keating.

White House chief of staff Donald Regan tried to fire Gray, only to discover that Gray had been appointed for a fixed term. The administration threatened to have him arrested for enforcing the nation's laws. James Miller III's Office of Management and Budget attempted to reduce Gray's already-inadequate staff of underpaid examiners. Keating took his own steps, which is where Senator DiConcini enters the picture.

When most people bring the thrift crisis to mind, they recall the Keating Five—Senators Glenn, Cranston, McCain, Riegle, and DiConcini—who met on Capitol Hill with Gray's San Francisco regulators in an attempt to head them off. But most people are unaware that before this, there was the Keating Four (the Five minus Riegle) who called Gray in to plead the cause of the man they called "our friend." In many ways, this meeting was the far more important of the two. Whereas the San Francisco regulators were well-informed about the disastrous situation at Lincoln and gave the five Senators better than they got, the meeting of the Keating Four targeted Chairman Gray, who had been instructed to come alone, without his staff. Gray was in an impossible situation: Aware Keating was loudly proclaiming that the chairman was engaged in a personal vendetta, Gray had deliberately distanced himself from the examination; he knew little about

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The Washington Monthly *Journalism Award*

DECEMBER 1996

NICK KOTZ

Breaking Point

The Washingtonian

From the tragedy of Admiral Boorda's suicide, Kotz has composed an in-depth look at one man's life of integrity and honor, as well as his untimely death. This 30-page account chronicles Boorda's last 23 days in detail, from dozens of perspectives, including that of Newsweek *writer David Hackworth and his editors as they prepared to run the story that is thought to have prompted Boorda's suicide. ("Upon finishing the article," wrote Kotz, "Hackworth had told his assistant, Heidi Duncan, that if Boorda's story were known, 'he just might put a gun to his head.'")*

In Kotz's writing, Boorda's overwhelming consideration for others glows like a halo, manifested in small gestures, such as his shipboard antics designed to boost morale. Readers come away wishing they could have known Admiral Boorda—yet also feeling that, in some way, they did.

CHRISTOPHER DREW & DAVID CAY JOHNSON

For Wealthy Americans, Death is More Certain than Taxes

The New York Times

Ever since America's wealth was concentrated in the hands of such select captains of industry as John D. Rockefeller, a progressive estate tax has played a vital role in the effort to redistribute the nation's capital.

Yet Drew and Johnson point out what most of us already suspected: Tax laws, as with various other legalities, can be avoided most effectively by the wealthy. As part of the Times's *series on how progressive tax laws often favor the rich, this piece details how those in America's top tax brackets find routes around declaring inheritances as the gifts they truly are—and thus avoid paying taxes.*

Keating or Lincoln. Now, worn down by his failing attempts to restrain an industry spinning out of control and by the relentless attacks of his own administration, Gray found himself ill-prepared to face the hostile audience.

All of the Four (except Glenn, whose former chief of staff had been hired by Keating at a princely salary) had received handsome contributions from Keating. The group gathered in DiConcini's office at the senator's invitation. During the meeting, DiConcini held on his lap a memorandum that outlined Keating's terms and conditions, as though Keating were a sovereign nation. If Gray would call off his dogs and stop writing new rules, DiConcini explained, Keating would agree to make some home loans. Gray, though shaken by this exhibition of Keating's raw political power, refused.

But Keating had many more strings in his bow. To rid himself of his tormentor, he tried to hire Gray away from the Bank Board; Gray declined. Next, Keating engaged the services of Alan Greenspan, then an economist in private practice, as a paid flack. The future chairman of the Federal Reserve prepared two remarkable documents. In the first, he announced that Lincoln was a new, innovative, and soundly-run institution that "poses no foreseeable risk to FSLIC." In the second, he analyzed a number of other new, innovative, and soundly-run S&Ls and blessed their work. Not long after, all the thrifts on Greenspan's list had failed but one, and the survivor—although Greenspan didn't seem to know it—was not a thrift.

Keating pressed on. The Federal Home Loan Bank Board had three members, Gray and two others. When two seats became vacant, Keating put forward his own candidates, Professor George Benston, another of his paid academic flacks, and Lee Henkel, a Georgia lawyer who was involved in number of poorly performing enterprises to which Lincoln had loaned millions. Benston didn't make the cut, but the Reagan Justice Department gave Henkel a clean bill of health. During his brief tenure on the Bank Board, Henkel proposed precisely one new regulation. Out of the 3,000 S&Ls in the land, it would have benefited just two, one of which was Lincoln. (Gray believed that Henkel was unaware of the other one.) Shortly after Sen. William Proxmire revealed Henkel's relationship with Keating and Lincoln, however, Henkel declared that he was fed up and resigned.

Still, things were looking up for Charlie Keating. Gray's term expired, and he was succeeded by M. Danny Wall. Wall was a former top aide to Sen. Jake Garn, the co-author of Garn-St. Germain, and a considerably more Keating-friendly regulator. Wall's

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dealings with Keating are a study in creative regulation. In an unprecedented move, Wall allowed Keating to try to change his primary regulator from the hated San Francisco Home Loan Bank to the one in Seattle. At a meeting with Seattle regulators, Keating offered to effect the transfer by establishing a bogus headquarters at a Utah thrift within Seattle's district, which he volunteered to purchase on the spot with a personal check. Seattle was not amused. The transfer did not take place.

Nonetheless, Keating was able to negotiate a memorandum of understanding (MOU) with Wall's Home Loan Bank Board. It was, William Black, acting counsel for San Francisco and the former deputy director of the Bank Board, told the House Banking Committee, "the worst so-called enforcement document in history.... The Agreement and the MOU were a virtual cease and desist order...against the Bank Board."

In a second unprecedented move, San Francisco was ordered to suspend its examination of Lincoln. A new team of examiners was assembled from the staffs of Home Loan Banks around the country and placed under the direct control of Wall's office—a third unprecedented move. But get this: Wall's examiners were *forbidden* to read San Francisco's report on Lincoln—unprecedented move No. 4. The examiners were not permitted to look through Lincoln's original documents but were supplied with copies instead (unprecedented move No. 5). And in words that no examiner could ever remember hearing from a superior's lips—but which bore certain echoes of the 1980s Alan Greenspan—the examiners were informed that Lincoln was a new and imaginative kind of thrift that many people did not understand.

It looked as though Keating was about to slip away again. But he had reckoned without the state of California. In the last of many brazen moves, Keating began to sell bonds issued by his holding company, American Continental. Bonds costing hundreds of millions of dollars were sold to thousands of people, many of them elderly—Keating's salesmen particularly targeted the elderly—some of them widows and orphans, and most of them citizens of California. The bonds were worthless.

Desperate to stop the sale but lacking the necessary powers, Commissioner William Crawford of the California Department of Savings and Loans sent his own small examination team to Lincoln, to see if his people could somehow put a spoke in Keating's wheel.

For years, Keating's regulators had wondered how he always seemed to anticipate their moves. The Cal-

JANUARY 1997

MARC FISHER & VALERIE STRAUSS

A City School Lost in the Wilderness

The Washington Post

Education has long been a favorite target for budget-mongering individuals concerned with the over-bureaucratization of our public facilities. In the nation's capital, one would hope to find a model of efficiency which could be exported as an example to the rest of the country.

However, as Fisher and Strauss point out, this isn't the case. In fact, their story demonstrates that the University of the District of Columbia is so riddled with administrative frailties that the District is considering scuttling the boat. The UDC has consistently spent more money than it has been granted, with the misused funds filtered into outrageous retirement benefits for professors, poor investments, and strangely enough, urban-agricultural education the school claims necessary to its land-grant function.

YVONNE ABRAHAM

Class Struggles

The Boston Phoenix

Run-down buildings, outdated equipment, police presence, and extremely low test scores are just a few reasons why the Boston Public School District is not the ideal place to get an education. Abraham's piece looks at how Dr. Thomas W. Payzant, Boston's superintendent of public schools since October 1995, plans to change all that.

Payzant's first priority: students. He visits area schools unannounced, soliciting students' opinions and evaluating educators. Establishing uniform standards of teaching and achievement is a primary goal. Without such standards, Abraham states, measuring performance in Boston's public schools has been "like trying to pin Jell-O to a wall."

Despite remaining challenges, Payzant's attribution of accountability to teachers and principals—along with the personal interest displayed in his visits to schools—is a strong start.

THE MONTHLY JOURNALISM AWARD is presented each month to one or more newspaper, magazine, radio, or television stories (or series of stories) that demonstrate a commitment to the public interest. We are particularly interested in reporting that explains the successes and failures of government agencies at all levels and of other institutions such as the media, corporations, unions, and foundations that contribute to the existence or solution of public problems. Please send nominations (including two copies of the article or broadcast text) to Monthly Journalism Award, 1611 Connecticut Ave. NW, Washington, DC 20009. Nominations for stories run in February are due March 5.

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ifornia regulators discovered one possible explanation: The supposedly secure telephone line from their office in Lincoln to Los Angeles headquarters had been bugged. Tracing the bug, they found that a number of Keating's executives could listen in on every word. Nonetheless, Keating's string had just about run out.

It was Keating's habit to prowl through the rooms where regulators were conducting examinations, uttering threats and imprecations and talking grimly of personal lawsuits. On one of his tours, he encountered senior examiner Richard Newsom. Under the terms of Keating's understanding with Wall's Bank Board, federal regulators were forbidden to examine certain documents containing information that Keating quite clearly wanted to keep to himself. Newsom, however, was quite clearly examining them—something that Keating did not hesitate to point out.

"Mr. Keating," Newsom replied, "I am from the state of California, and we did not sign the memorandum of understanding. And you, sir, are in my jurisdiction." It was over.

Largely because California had put some spine into a Federal examination that had previously seemed devoted to keeping Keating in business at all cost, Lincoln was seized by the government in 1989. But not before a truck emblazoned with the words "document destruction" had pulled up to the Lincoln loading dock. And not before Keating and his associates had managed to blow $2.5 billion of the taxpayers' money. Keating went to jail. Lincoln ceased to exist. Michael Milken also went to jail, but not a single charge against him involved Lincoln, the mulcting of the taxpayers, or the use of their money in creating a junk bond market that disrupted the economy of the entire country. The story has a sour ending, but it ends. Or does it?

Deregulation—Take Two

In the waning years of the 20th century, Newt Gingrich's Washington strongly resembles a place where nothing has been learned and everything forgotten. On Capitol Hill, only a few aging progressive Democrats—and an equally small handful of thoughtful Republicans like Jim Leach of Iowa—remember why the country's financial institutions were regulated in the first place: When regulations are removed from a financial institution, the very kinds of illegal behavior they were designed to prevent come roaring back with a vengeance.

This regression was all-too-vividly demonstrated during the S&L fiasco, which the General Accounting Office estimates will cost the country close to $380 billion. Today there is somewhere between 11 and 12 times that amount, also taxpayer insured, in the nation's banks. At the moment, the banks are humming along quite nicely—and profitably—prevented from gambling away their federally insured deposits by a law called Glass-Steagall. Glass-Steagall is an old law, passed more than 60 years ago. In those 60 years, the United States has not experienced a single system-wide banking calamity—and the United States was once a country of many banking calamities. But although signed by Herbert Hoover, Glass-Steagall was vigorously enforced by Franklin Roosevelt. And as every modern Republican knows, old laws—especially old laws with FDR's fingerprints on them—are destined for the dustbin of history.

Fortunately, any gung-ho deregulators looking to muck around with the banking system must first pass through Jim Leach, head of the House Banking Committee, and one of perhaps four people on the Hill who understands a thing about the industry. Unfortunately, the thoughtful Mr. Leach may pose an equally dangerous—and more immediate—threat to the current system. While opposing wholesale deregulation, Leach nonetheless believes the banking industry should be "modernized." This means trashing Glass-Steagall, and replacing it with his new bill that would allow banks to sell insurance and make "responsible investments" in securities.

But experience suggests that the banks already have too much leeway in their investment strategies, and that, if anything, regulation should be tightened. During the 1970s and '80s, the large institutions in the banking centers of New York, Chicago, and San Francisco lent truckloads of money to the world's less-developed countries and lost many billions when the customers could not repay the loans. While the banks were recovering from the consequences of their own stupidity, they gazed upon the real estate market of the 1980s, superheated as it was by the wild extravagances of Keating and others of similar kidney, and found it good. The money center banks made billions of dollars of real estate loans—and lost a huge chunk of them. In addition, certain holes in Glass-Steagall permit banks to purchase arcane financial instruments as a speculation; money got lost there, too. By 1989, the giant banks Citicorp and Chase Manhattan—and perhaps the Bank of America—were arithmetically insolvent, which is a slightly complicated way of saying they were broke. The regulators politely looked the other way while the banks put their houses in order. (It is an unspoken axiom of the

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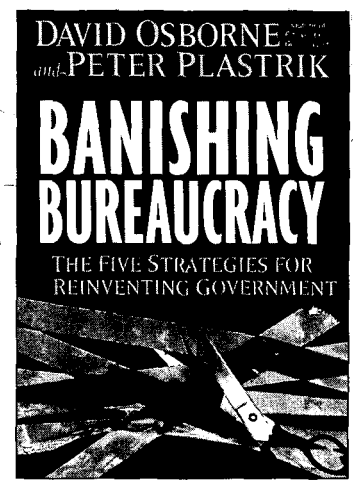
American government that a giant bank can under no circumstances be allowed to fail.) The taxpayers lost no money.

Responsible conservatives like Leach argue that the world has changed, the lessons of the past have been absorbed, and new laws are needed to allow U.S. banks to compete on the world stage with institutions such as the Japanese banks, which are unhobbled by outdated legislation. This is to ignore the fact that the Japanese banks, having speculated wildly during the bubble economy, are out of money, and remain open only because everybody tells the same lie: "Ain't nothin' wrong here, pal."

With his reputation as a level-headed sort, Leach's chances for loosening banking laws are considerably stronger than those of the more indiscriminate deregulation cowboys (and cowgirls) on Capitol Hill. Having introduced his bill in January 1995, Leach enjoyed bi-partisan committee support until last June, at which time partisan bickering convinced him not to put the measure to a committee vote. On day one of the 105th Congress, however, he reintroduced the bill, and the folks in his office say that, with the election over, "the environment is different" and all parties seem more willing to negotiate in order to get the Leach Bill passed. Nor does it appear that Clinton, who continues slouching ever-farther toward the right in his desire to be viewed as part of "the vital center," would prove an obstacle to "updating" banking laws. To the contrary, this January *The New York Times* reported that representatives of the banking industry were among those in attendance at one of the DNC-sponsored White House koffeeklatches last May—as was Comptroller of the Currency Eugene Ludwig. Among the topics discussed: the repeal of Glass-Steagall. East Coast Bank chairman Hjaima Jonson told the *Times* that the President was "an active participant" in discussing how Glass-Steagall could be overhauled. In fact, rather than hindering the deregulation process, the administration is considering doing Leach one better, by opening the way for ownership of banks by commercial firms.

History tells us that even if well-meaning legislators replace current laws with more industry-friendly measures, then sometime soon after, the American people are likely to discover that their lawmakers have just bought them a mess of pottage. Just something to think about as you ponder the fact that Charlie Keating, like Michael Milken, is out of jail and on the prowl. Back in Scottsdale, Ariz., with his family, Keating is confident he can vanquish any remaining legal issues that may crop up. He is tan, rested, and—as *Time* magazine noted last month in an interview with Keating—"itching to get back on the horse." ●

The Road Map to Make Reinvention Work



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ADDISON-WESLEY

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Sometimes fiction can illuminate a social or political issue more clearly than the best policy writing. In 1978, The Washington Monthly *excerpted Samuel Shem's first novel,* The House of God, *which provided a wickedly funny inside look at the world of a first-year medical intern. In his new book,* Mount Misery, *Shem holds the psychiatric profession up to the same probing light.*

When we meet our hero, Dr. Roy Basch, he is a month into his residency at the renowned Mount Misery psychiatric facility and gradually realizing that everything he thought he knew about treating the mentally ill is wrong. (To further confuse matters, his mentor, Ike White, has just committed suicide, but the hospital administration is insisting he died of a fatal disease.) Now, Basch is learning that treating a patient to the latest psychoactive cocktail, shock therapy, talk therapy, or surgical technique—or trying to force a patient into a certain category—does more harm than good.

TAKE TWO PROZAC AND DON'T CALL ME IN THE MORNING

When it comes to treating people's mental health, one fad does not fit all

BY SAMUEL SHEM

EMERSON'S HIGH WALLS AND LOCKED doors seemed sinister. Noting the "Split Risk" sign, I opened the door to my new ward, Emerson 2, Borderlines, with caution, shielded the opening with my body, back-flipped in fast and threw the door closed. It shut with a tremendous "*wham*!"

"Dickheads Slam Doors!"

The same sandy-haired young man as before. I went into a slow burn, wanting to respond, but stopping myself. About 20 other patients were sitting around the living room, staring at me. I saw the two tennis players. The normal, older man, in a crisp summer suit, was reading *The Wall Street Journal.* The younger, thin man—the manic one—was reading a tabloid and eating a carrot. He took a bite. In the tense silence the crunch seemed enormous. No doctors were in sight. The patients—teen to senior citizen, dressed from high fashion to rags, many with bandages around their wrists or heads or legs, one in a neck brace riveted into her skull, one in a wheelchair—seemed like so many wounded, shell-shocked refugees, waiting for a war to end so they could move. These were the dread "borderlines."

I asked the ward secretary where I could find Dr. Malik.

"The one with the carrot. Hall meeting's just about over."

This was a surprise. I stood and watched. He was speaking: "Like I said, Ike White killed himself. Nobody knows why. Hard to take. But we gotta face reality. Game's over for him, but not for us. I'm here. You wanna talk suicide, I'll *talk* suicide. But *do* sports! Catch ya later."

Malik walked over to us. He was wearing a short-sleeve white shirt and a slender red tie, khaki trousers, and well-worn Nike running shoes. His wiry athlete's body seemed too small a container for his energy. He had jet-black hair, parted carefully and slicked up and over in front. In his long tan face, his hawk's nose was bridged by black-framed glasses whose lenses were tinted amber. We shook hands. He was large for his size and, though tight with tendons, gentle. An athlete's hand.

"I saw you playing tennis yesterday. I thought you

SAMUEL SHEM *is the pseudonym of Stephen Bergman, M.D., a psychiatrist at Harvard, and a playwright and novelist.*

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were a patient."

"So y'think there's a big difference between doctors and patients? Sometimes your patients are better than you." He fixed me with his eyes. I had a strange sense of being seen *into*. He glanced at my suit. "Boy, you got it bad."

"What do you mean?"

"You know what I mean, doncha?"

"Sort of," I said, sensing him sensing my discomfort wearing a suit.

"So if you know what I mean, you don't ask what I mean. To be a shrink you still got a lot to unlearn, like all us kids who went to med school. Specially us hot-shit high-achiever Jews."

I wanted to ask what he meant but stopped myself.

"You stopped yourself. Good." He took another bite out of his carrot, closed his eyes and chewed carefully, savoring it.

"What's with the carrot?"

"A carrot a day keeps colon cancer away." I laughed. "No joke. Studies have proved it."

"And just where is it you put the carrot?"

"Ha! Haha! Good. So. You play any sports?"

"Tennis, basketball, and golf."

"You do okay in psychiatry as long as you keep playing sports and use what you know from sports. Anything else before I show you what's what?"

"I was surprised you told them about Ike White. I've been trying to figure out what von Nott meant by a fatal disease."

"That's bullshit. Lloyal means he was biologically depressed, but depression never *has* to be fatal. *Never*. All this fatal-disease bullshit is so they don't have to admit they killed him."

"They *killed* him?"

"Places like this kill guys like him right and left, and a lot of the dead don't even know when they're dead 'cause their souls die first."

"That seems pretty bitter—" I started to say, but then stopped, for Malik had tears in his eyes, amber-tinted wetness. One tear, escaping from under his glasses, ran down his cheek, translucent, losing form as it ran, leaving a trace behind, like a snail's. Looking away, he chomped his carrot mournfully, giving out several forlorn crunches. He gulped down sobs, his Adam's apple shuttling up and down his thin neck. I asked, "'You must've known Ike really well?"

"Nobody knew Ike well." He removed his glasses, squinted like a mole in the light, and wiped away the tears with the back of his hand. "Nobody alive knows a suicide at all."

"Why'd he kill himself? Is there some dirt, some secret? Why?"

"What can I tell you? Psychiatrists specialize in their defects."

"And Ike specialized in suicide?"

"Wrote the classic papers, yop. Maybe we'll find out more, with time, and the more you find out about a person, the more sense they make, never less. Lloyal was crushing him. He died of death." He blinked, looked around in puzzlement. "Why'm I preaching to you? Jesus! C'mon—"

"Wait." He waited. "If the other shrinks are lying about him killing himself and you're telling the truth, aren't you gonna get into trouble?"

"So what else is new? They don't like me teaching you new guys, 'specially not here on Blair Heiler's ward. Eleven months of the year Heiler terrorizes these patients, so nobody else wants to deal with the mess in August when he's on vacation in Stockholm. Sucking Nobel Prize butt."

"Terrorizes!"

"Yop. So. Emerson Two. Know anything about it?"

"It's the borderline ward," I said. Ike had given me a lecture on borderlines, patients who were on the border between normals—or neurotics—and crazies—or psychotics. The lecture was based on the DSM—the *Diagnostic and Statistical Manual*—the bible of psychiatric diagnosis published by the prestigious American Psychiatric Association. The DSM described borderlines as suffering from a pervasive instability in interpersonal relationships, self-image, and feelings. The official diagnosis of Borderline Personality Organization, or BPO, was defined by 13 Krotkey Factors, created by the borderline world expert Dr. Renaldo Krotkey. Dr. Blair Heiler, local borderline expert, was a follower of Krotkey. Some of the Krotkey Factors were: impulsivity (BPOs were dramatically impulsive about sex, shopping, gambling, substance abuse, reckless driving, binge eating, etc.), fear of abandonment, unstable relationships, suicidal or self-mutilating acts, mood swings, feelings of emptiness, and a fierce, withering rage. Borderlines were emotionally labile, sometimes seeming completely normal, sometimes really crazy. They could change in an instant, for no clear reason. Most borderlines were women. Ike had painted me a dire picture, and now I quoted Ike to Malik, "Borderlines are hell. They make your life as a psychiatrist miserable. They're almost impossible to treat. Borderlines are the worst patients in all of psychiatry."

"Yeah, well, don't hold your breath, but borderlines don't exist." I laughed, thinking he was joking. "No joke. Problems with relationships, self-image, feelings, impul-

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sivity? We *all* got that! Your job is to resist brain-washing as long as possible and just try to help these poor people. Being lied to about Ike's death has got 'em bullshit! All three floors of Emerson are rumblin', ready to blow! Try to help 'em and *play sports*! Listen up."

Heiler had left the ward full. Malik said that most of the patients would be better off out of Misery and that we would discharge as many as possible. Given the fact that insurance companies were now dedicated to not paying out insurance, this wouldn't be difficult. The ones who needed to stay, he'd go to bat for. He started dialing a phone.

"How do you get insurance to pay for them to stay?" I asked.

"Allora? Testa di catzo!"

I turned, and then realized once again who it was. I'd just been called a dickhead in Italian.

"Thorny," Malik said, "meet the new resident, Roy G. Basch."

I looked into the eyes of the tall, sandy-haired, baby-faced man. He wore jeans, suspenders, a blue work shirt, and bow tie. A row of fresh sutures, like a tiny barbed-wire fence on his forehead, overlay other old scars. I shook his hand. It was as boneless as Ike White's had been the night before.

"What's that?" Malik asked, talking into the phone. "You ain't gonna pay for another day of Mr. Thorne's stay here in the hospital?"

"They gotta pay or else I'm dead!" Thorny said frantically.

"Yeah, well, he's extremely paranoid and dangerous and—" He listened for quite a while and then said, "How can we *prove* it? Well, Ms. Tillinger, he just told me that unless you let him stay he's gonna come right down there to your office with a gun and— That's right, a *gun*, and in his words, 'blast them insurance fuckers to smithereens.' Now, where exactly are you located, dear?" Covering the receiver, Malik shook with laughter. He said, "managed care, I love it. Basch, go talk to Thorny." I hesitated. Malik made shooing-away motions, saying, "Go, go. Move."

Thorny was glowering at me. He walked away and sat down. I felt a strange fear. Malik hung up. "What am I supposed to do with him?" I asked.

"Be human," Malik said. I stared at him. "Human? Human being?"

"But he's so pissed off, suppose I say the wrong thing?"

"Think these people are fragile? Just try 'n' change 'em. But hey, I know you're scared. I was too." His eyes locked in again. I felt a kind of rush, a "click"—he was the first person since I'd been there who had talked to my fear. "Weird, ain't it," he said, "to be so scareda just sitting down and talking to somebody? Image is a killer, and self-image is a *killer* killer! So listen up, if you need me, call." He squeezed my arm and walked off, stopping to pick up a piece of litter.

"Dickheads Save Planet!"

"Yeah," Malik shot back, "for assholes like you."

I walked over to Thorny, thinking about how to be human.

"So, Dr. Dickhead, tell me about yourself." Thorny said.

Uh-oh. Surely this is backward—I was supposed to be asking about him. "I'm the new resident." I felt a sharp pain in my palm. I was clutching my key ring so hard the keys were biting into the flesh. "You?"

"Got here a month ago from New Orleans. My daddy's rich, made a fortune burnin' trash down Cancer Alley. Calls himself the Burn King of the Bayous. I did okay till I was eighteen, 'n' got sent north to Princeton. Lasted but three months. You look kinda tentative, Doc. Scareda me?"

I was, but I wasn't going to let him know it. "Nope!"

"Sure is sad Ike White killed himse'f ain't it?"

"They say he died of a fatal disease and—"

"Oh, pleeeeeze!" he said, disgusted, getting up. "Hey, patients! Hey, borderlines!" They all looked at him. "This new doc is *pitiful*! We got ourselves a real loser in this Roy G. Dickhead Basch!" He walked away.

Not a good start. If this wasn't a borderline, who was? Humiliated, I decided to interview another new patient of mine named Mr. K., whom I recognized as the kindly old gentleman who'd been playing tennis with Malik. I found him on the sun porch, finishing *The Wall Street Journal*. We had a wonderful talk. He was, he said, the last survivor of an old Yankee family. Only recently had things gone awry. His golden retriever, Duke, had died. His son had come out as gay. His wife was drinking again, and his daughter had run off with a drug dealer. He'd come to Misery a month ago for a rest.

"You seem so sad," I said, touched by all this recent misfortune.

"'Tis cause for weeping, yes." He started to cry.

"We'll discharge you soon. Maybe even next week."

"That would be grand!" he said happily. "Thank you for your time."

Time that had flown by. I was excited at this, my first good interview of a borderline. At the nursing station I told Malik about it. The head nurse and social worker listened in. I said that Mr. K. seemed about ready for discharge. When I stopped, no one said any-

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thing.

"Ever hear of a mental status exam?" Malik asked. Someone giggled.

"Oh shit," I said. "I blew it?"

"Big-time. Let's go." He led me back to Mr. K.

"Gonna ask you two proverbs," Malik said. "Tell me, Mr. K, what do people mean when they say, 'A rolling stone gathers no moss?' "

"They mean that I have never been happier!" he said, and started to sob uncontrollably, on and on, in horrific pain.

"And, 'People who live in glass houses shouldn't throw stones'?"

Abruptly he stopped sobbing, began laughing hard, and said, "It's a big cry, a big big cry!"

"And who's the president of the United States?"

"Herbert Whoever."

With Mr. K. listening, Malik told me that when Mr. K. was six, driving with his mother, a car hit them and she was decapitated. Her head landed in his lap. "At ten he was institutionalized. From then on, because he's rich, he was assaulted by whatever treatment was at the leading edge of American psychiatry: insulin shock, cold water dousings, being strapped into the Benjamin Rush restraining chair and given emetics and whirled around 'til he puked his guts out, enemas and high colonic irrigations to get it out from the *other* end—"

"What can I tell you? Psychiatrists specialize in their defects."

"Woo-wheeee!" Mr. K. said, shaking his head in amazement.

"Enough electro-shock to light up Iowa, the most toxic drugs ever concocted, two first-rate psychoanalyses—one for each hemisphere, for the left, Freudian, for the right, Jungian—and a prefrontal lobotomy." Malik made a stabbing motion up through his own eye socket, and then a slashing wiggle. "An ice pick, stuck in his *brain*?"

Sickened, I said, "Thank God they don't do those anymore."

"Oh, it wasn't *that* bad," Mr. K. chided.

"Oh, but they do!" Malik said. "Lobotomy's making a comeback! Check out *Archives of General Psychiatry*, June 'ninety-one. Big article proving that lobotomy is the treatment of choice for refractory obsessive compulsives."

More sickened, I said, "But we had a great talk, Mr. K. didn't we?"

"Thumbs up!" Mr. K. said, putting his thumbs down, smiling sweetly.

"Yes, you did. Luckily, they botched his lobotomy. Left half a frontal lobe. Lloyal's his therapist. Fifteen-minute sessions, a hundred twenty bucks a shot. They talk finance. Mr. K's trust fund will keep him in Misery till he dies. He's been here forty years."

"But he was just transferred over here to Borderline yesterday."

"Heiler had an empty bed. Empty beds mean stalled careers. He 'n' von Nott agreed Mr. K. needed a trial of BPO with HFL—Half a Frontal Lobe."

"That's quite funny actually," Mr. K. said, chuckling normally.

"They can't *touch* you," Malik said. "As a shrink, Roy, you got to be able to tell when something's organic—medically treatable—as opposed to mental. You don't treat brain tumors with psychotherapy. Proverbs can help find out which is which. Read Mr. K.'s chart. It's a memorial to the harm done by shrinks trying to fix people. Now we gotta protect him."

"From what?"

"This." He spread his arms. "All this. The more I see, the more I think that if all shrinks in the world were to die of heart attacks at once, all the world would be a helluva lot better off."

"Including you?"

"If and when I act like a shrink, yeah."

"But you are a shrink."

"You gotta know it to let go of it. You tell me if and when, okay?" I nodded. "And when I'm gone in a month, protect him from Blair Heiler and you."

"Me?" I asked, stunned. "You don't know what you're talking ab—"

"Kid, you're gonna go for Heiler like America goes for stars! C'mon, we got Case Conference. Heiler set it up before he went on vacation."

Malik left, but I couldn't yet. A cloud darkened the quiet porch. I turned back to Mr. K. In silence, he was weeping. Two glints of tears were running sadly down his old man's old damaged man's cheeks. I felt really bad. "I'm sorry, Mr. K.," I said. "Are you sad, hearing all that?"

"Hahaa!" he said, his laugh crackling and high-pitched, like a child finding a favorite toy, say a stuffed zebra. "Doctor, I've got some advice for you: Always keep a low center of gravity sometimes."

"Deal," I said, relieved.

Laughing, he gave me a thumbs down and a high five.

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Case Conference was designed to try to get a fresh look at a problem patient by bringing in a world expert to talk things over. Waiting in the conference room was Dr. Errol Cabot, the world expert of the day, his world expertise being the drug treatment of mental illness. Errol was a chunky 35-year-old man with a square-jawed flat face and eyes that seemed to bulge out of a sea of thyroid. The drug doctor was so restless and hyper he always struck me as being on drugs. His dark red hair was cut back like the helmet of Winged Victory, and he wore a long, white lab coat.

With him was his protégé, a new first-year resident named Win Winthrop. I knew Win from medical school. Though fat, he was energetic and optimistic, with the keen intelligence I had always associated with people with his fiery red hair and freckled, alabaster skin. Win's father was a Boston Brahmin, a well-known lawyer at Hale and Dorr, and he had been disappointed in Win's choice of psychiatry, for he had been hoping against hope for the only honorable medical specialty, surgery. After only a month Win, like a dog with its master, had become much like Errol: both were hyper and manic with eyes wide; like boys eyeing an electric train set; both had their red hair cut like Prince Valiant and both were bulky under long white lab coats. They were rocking in their chairs as we entered the room. I was to find that Errol—and Win too—had two traits that would prove remarkably useful as they threw drugs into people: unawareness of self, and unawareness of others.

That day the patient was Mary Megan Scorato, admitted several weeks before to Emerson 1. For those weeks, Ike had been her therapist. I remembered that she was the "acutely suicidal patient" Ike had needed to see the day before as I'd left his office. Mary Megan was one of those "salt of the earth" people whom everyone loves, a kindhearted woman of Irish descent married to an Italian who, in her weeks on Depression, had taken to "mothering" all of us, patients and doctors alike. Mary Megan baked cookies for us all, listened to other depressed patients' problems, cleaned countertops, and did laundry. Everybody loved her. How could you not?

Yet she herself remained hidden. A woman from a poor Irish family, she'd worked her way through secretarial school and had become an assistant director of admissions at Harvard, over an hour's commute away. Institutions like Harvard always have a warm-hearted type on the front lines, protecting the hard-hearted higher-ups, and Mary Megan was it in Admissions. She had had her share of suffering: married at 40, she gave birth to a baby with Down syndrome. Now a six-year old, the boy was severely disabled. Mary Megan was a hefty woman, but she had lost her appetite, begun eating very little, and lost a great deal of weight. People said, mistakenly, that she "looked good." Two weeks before she completely snapped. She was picked up by the state police on the side of the interstate, weeping hysterically, threatening to throw herself into the traffic. As they were coming home from vacation, the family's luggage had blown off the roof and her six-year old's new parka had flown away and reappeared crucified on the front grill of a trailing ten-wheeler. Since then she'd been actively suicidal. But something didn't make sense. Why should luggage falling off a car and a parka on the front of a truck plunge a fine, by-all-accounts cheerful woman with lots of friends at work and home into suicidal despair? No one, not even Ike White, had been able to find out.

"Okay!" Errol said as we sat down, before Mary Megan was brought in. "Let's go. Win and I have read the chart, so we all know the case. First, diagnosis. It's absolutely clear this gal is a BPO with Ano—"

"First," Malik said, "we talk with her."

Errol's jaw dropped, as if this were incredible, for a doctor to actually talk with a patient.

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Mary Megan Scorato came in. Her freckled milky complexion was marred by dark bags under her eyes and slack skin around her mouth. The edges of her lips turned down, as if she were on the verge of tears. Her auburn hair was unwashed and halfheartedly in a bun, ends escaping out and hanging despondently down, ends she didn't brush out of her eyes. Her clothes, usually neat and clean and perky in the way that an old-fashioned, good mother's kitchen clothes are perky, were rumpled and too big for her thinning body. She nodded to Errol, Win, Malik, and me and sat down. Malik explained that we would talk.

"This morning I wrote a little poem for this conference," she said.

"What meds are you on, sweetheart?" Errol asked.

"Dr. White was so kind and good, I wrote a poem."

"What meds worked best in the past, gal?" Errol asked.

It went on like that, Errol talking drugs and Mary Megan talking poetry. Mary Megan got more and more subdued. I felt for her. Finally Malik said, "You okay, Mary?"

"No I am not! I came here to read my poem for Doctor—"

"What about anticonvulsants, honey?" Errol asked.

Mary Megan stared at him and then took a green piece of glass out of her sleeve and held it to her wrist. "Let me read my poem or I'll cut myself!" Her thin cheeks made her eyes seem huge.

"Read," Malik said. "We'll listen." Mary read her poem, ending with:

"We all imagined his hesitant, stammering manner
Merely concealed his heart's strong core,
But he had his misery, his hesitant stammering manner,
And nothing more."

Stillness. She's gotten him exactly right. Errol and Win kept rocking in their chairs, but said nothing. Mary handed the piece of glass to Malik.

"Beautiful," Malik said, "and true. Can I ask you a few questions?"

"Yes. If you can be kind, like Dr. White."

"I'll try," Malik said. He talked with her for a while, and then the strangest thing happened. Later I couldn't recall how it came about, but after just a few minutes of their talking, talking as if they were old friends meeting after a long time, talking about her Down syndrome son and the parka crucified on the truck, Malik asked her something that seemed completely bizarre:

"Tell me about your *other* son."

Mary Megan sat up in shock, her eyes wide. "My other ... ?"

"Yes. The one you lost." I had no idea what he meant. Mary Megan had said nothing about another son. I felt a kind of "click." I waited.

"Oh, God!" she said, and began to weep softly, and on her tears rode a story none of us had ever heard from her. Thirty-one years ago, when she was seventeen, she'd been forced into sex with a neighbor and gotten pregnant. She'd told no one but her mother, who demanded that she give the baby up for adoption. Finally Mary agreed, on one condition: that the Clarissan nuns taking the baby let her see it just once. The Mother Superior agreed. She gave birth to a boy. The nuns never let her see it. Every year, every single year on his birthday, she would think of that baby boy and wonder where he was, and what his life had become. "A year and a month ago," she said now, "on his thirtieth birthday, the phone rang. I picked it up. A man's voice asked, 'Is this Mary Megan O'Toole?' I knew at once. My heart seemed to tear loose inside me. I said, 'Yes it 'tis.' 'Well ... I'm your baby boy.'" She wept frantically, searching for tissues. Malik handed her a box. Calming down, she went on, "We met a few days later, and ... he said he wanted to meet just the once, no more. I told no one, no one knows this, no one a'tall, not even my dear husband Joey. I never even told poor Dr. White. I was okay for a year, but then, this year, without him, when that day came 'round ... I could not go on. I couldn't even eat."

"Anniversaries are killers," Malik said. "You had an 'anniversary reaction'—it's totally normal. And why didn't you tell Dr. White?"

"He seemed too ... vulnerable? And he didn't ask, like you did."

"You feel okay about telling us?"

"I do. You have a kind face. Thank you."

"Now that it's out, we can help you to heal the wound."

She wept again, quietly. I felt moved, awed even, by Malik's way: so simple, so *there* with her. She sniffled. "That would be fine. Thanks."

Mary Megan left, shutting the door quietly behind her.

"Okay good great," Errol said loudly. "Now let's do some real work!"

He and Win then discussed the "case," fitting it brilliantly to Borderline Theory, concluding that the diagnosis was BPO with A and B—Anorexia and Bulimia—even though Mary had explicitly denied bulimic vomiting. And wouldn't you know it but BPO

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with A and B was a particular diagnosis Errol just happened to be world expert in! Not only that, but by sheer coincidence he was also the world expert in the drug to treat it! "The treatment of choice," he said, "is my experimental drug amyoxetine—brand name Placedon. Brought it back from Bangkok—in my backpack. Placedon makes Prozac look like popcorn. We may need to add my other experimental drug, Zephyrill." While these names were enticing, as if, if you did these drugs you'd be partaking in an encounter with two of Babar's lost children, I was appalled at this, a diagnosis and treatment totally at odds with her obvious and what seemed to be normal grief.

"The woman is going through a normal grief reaction," Malik said. "If we can keep her off drugs, she'll pull together just fine."

"This is for the benefit of the new residents," Errol said, glancing at me and Win. "There's never once been a controlled experiment that showed that talking to patients does any good at all. Any effect is placebo effect. You residents shouldn't waste your time learning how to do this mumbo-jumbo, 'cause there's no 'it' to do. So Malik got her to tell a story, so what? Won't help. Like pissing in the ocean. There are no 'psychosocial' factors in mental illness. If it's mental illness, it's biochemical, and vice versa. Save her a lot of grief—give her Placedon."

"Thanks for sharing, Errol," Malik said, "and now go fuck yourself."

"So," Errol went on, as if Malik hadn't said what he had said, "To get these experimental medications, she has to be in our new research study." He took out a lavender form and got up. "I'll get her informed consent."

"She refuses all drugs," Malik said, rising. "Thanks for stopping by."

"Don't worry, we'll get her to sign."

"She won't talk to you, guaranteed."

"We'll get husband Joey to sign."

"Not without her permission."

"She's not competent to give permission. She's a borderline!"

"And," said Win Winthrop, "bulimic. She deserves a trial of Placedon."

"After she's on it, we'll get some of her blood," Errol said. "When her level's in the therapeutic window, she will be competent, and then she can decide rationally about going off Placedon no problem thanks."

Malik picked up Mary Megan's chart and reading aloud as he wrote, "Patient is mentally competent. Patient refuses all drugs."

Red-faced, Errol rose and said, "Know what your problem is, Malik?"

"Maybe that I think you're a neo-Nazi?"

"Your problem is you're nuts and you should be on medication!" They hurried out.

"Wait!" Malik shouted. "When are you gonna study drug compliance?" He turned to me. "Know what they don't do?" I asked what. "Sports! C'mon."

In the nursing station, as he changed into shorts for his morning run, Malik said, "Don't get me wrong, I'm not against using medication. I use it, if it's right to use. But all the studies of compliance show that patients don't take their drugs fifty percent of the time, and that the only reason they do is if they have a good relationship with their doctor. And guys like Errol are terrible at relationships. Which is one of the two reasons they specialize in drugs. Walk me out." I followed him outside.

"What's the other?" I asked, squinting at him in the bright sun.

"Money. Drug-therapy guys like Errol see six patients an hour, at seventy dollars a pop: four hundred and twenty dollars an hour. Talk-therapy guys see one an hour, at a hundred bucks." He stretched his quads, pulling a bent leg up behind his back so that, with those amber lenses straddling his beak nose, he looked like a wise, hip stork. "Talk therapy is dying. The drug cowboys are taking over. They use drugs to stay away from being with people. It's easier than being human with that kind of suffering. Other than drugs, the only way to make a living as a shrink is to write some bullshit self-help book. I'm thinking of writing one called 'Anorexia Digest.'"

"But how did you know, I mean about the other son?"

"Dunno. When she talked about that parka, crucified, I picked up somethin', like 'lost son.' So I took a shot, got lucky. Sometimes people don't know that on anniversaries they crash. Just to name it helps a lot."

"It's so sad! Every year, for thirty years, on that day, she's wondering where he is? It blows me away."

"Yeah. Ike's suicide for her, for all of us, is a big 'Fuck you!" He signed. "So now you see all the bullshitology around 'diagnosis.'"

"Isn't diagnosis important?"

"In psychiatry, diagnosis comes last."

I felt confused and overwhelmed. Everything this fanatic was telling me was the opposite of what I'd been taught about psychiatry before.

"Here, sit," Malik said. "Listen up." I sat on the lush, close-cropped grass, staring at Malik's tank top, on which two lambs were holding hands over their

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heads in triumph, and the acronym L.A.M.B.S. "This is a BPO ward. But check out the diagnoses: BPO with A—Anorexia; BPO with B—Bulimia; BPO with C—Catatonia; BPO with D—Depression; BPO with M—Mushrooms."

"Mushrooms?"

"Just checking. So Blair Heiler keeps trying to fit people into BPO, but they won't fit. So he keeps adding letters. One of these days he'll admit an adolescent with BPO with Z—Zits."

"Why does Heiler try to fit people into diagnoses?"

"Money and fame. He's a protégé of Lloyal von Nott, world expert in money. He gets Lloyal to give him a ward for BPO. He gets drug money to study the Krotkey Factors to diagnose BPO. He finds that BPOs fit the factors! Quite a coincidence, eh? He gets more patients, with more BPO. Becomes world expert in BPO. Fame, money, climbing the greasy pole of academia. Heiler's in a catfight with his rivals at McLean to corner the market on BPO. Meanwhile he terrorizes these patients—which makes 'em act like BPOs! He publishes, they perish. Lotta suicides on the ward. Which is another Krotkey Factor: BPO with SS—Successful Suicide. And BPOs don't even exist. They're just people, right? We coulda got any diagnosis we wanted outta Mary Megan, depending on which diagnosis the world expert we called in was world expert in. In psychiatry, diagnosis comes last."

"What comes first?"

He put a hand on my shoulder. "Roy, you're gonna think this is crazy. In psychiatry, first comes treatment, then comes diagnosis."

"That is crazy," I said. "It goes against hundreds of years of medical science."

"You think this is a science?" he asked.

I didn't know what to say. For a while I stared at a duck carving lines on the still lake. Finally I said, "I don't know, Malik. You sound pretty cynical."

"Think of Mary Megan, her face when she took out that piece of glass. That was the face of terror, right?"

"But this, you, what you're saying, it's nothing like my month with Ike. This is not what I expected."

"Good. That's the first real thing you said. Listen up: all you gotta do to learn is keep your eyes open, your fly zipped, your feelings up front, and ask for help. Don't read any bullshit articles. Don't read, do. See. Feel. Do. And see everything in Misery in terms of Ike's suicide." He turned on his Walkman. "Aerosmith!" he cried. "Steven Tyler is my God!"

He started to plug the earphones in. "Wait," I said. He waited. "Why are all these experts denying their feelings about Ike?"

"'Cause they mistake having no feelings for being smart." He trotted off. ●

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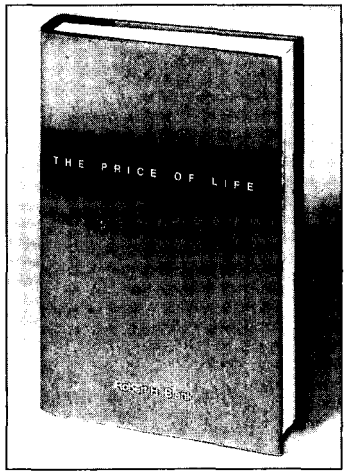

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Do We All Have to Get Along?

Gerzon's prescription for an ordered, efficient democracy overlooks what makes America great

By Charles Slack

A woman told me recently, "America is headed toward civil war." This was not some wild-eyed, street-corner prophet, but a thoughtful, intelligent, articulate woman, active in the affairs of her community—the sort of person who used to be called, without a trace of irony, "a fine, upstanding citizen." But when she looks around, she said, all she sees is anger. Anger and violence, actual or imminent. There are white supremacists and anti-government militias forming in the hills, dispossessed minorities boiling over in the cities. Voters are frustrated that their votes don't seem to count for anything. Politicians, remote and unresponsive, are off pursuing their own agendas in Washington. And, of course, there are the media, always the media, sensationalizing and trivializing without addressing important issues. "Something," she announced ominously, "has got to give."

A HOUSE DIVIDED: Six Belief Systems Struggling for America's Soul
By Mark Gerzon
G.P. Putnam's Sons, $24.95

Her comments were jarring, coming as they did on one of those sunny, benevolent Sunday mornings when the entire world seems at peace. But such apocalyptic thinking seems to be gaining currency these days, fueled perhaps by the approaching millennium or by the fact that the demise of the Soviet Union has left a void of Big Concerns or, perhaps, by the natural human tendency to mistake one's own mortality for the mortality of the species.

Author Mark Gerzon lays out a scenario for a nation spinning toward chaos in his book, *A House Divided: Six Belief Systems Struggling for America's Soul.* Gerzon draws a direct analogy between America today and America just before the Civil War. His title is derived from a biblically inspired statement by Abraham Lincoln: "A house divided against itself cannot stand."

Today the American house is not divided geographically, Gerzon believes. "Rather we are fragmented by conflicting belief systems which turn almost any issue into flashpoints for bitterness, anger, hatred, and often violence. The range and intensity of these disputes has become almost overwhelming. With the exception of combating foreign dictatorships, almost no cause commands consensus." He continues: "The media, the courts, the political campaigns—all have become gladiators' arenas. Trust between citizens has been replaced by fear; and the more Americans fear each other, the weaker we become. At a point in history when no nation on earth is powerful enough to defeat us, we may defeat ourselves."

Gerzon identifies six primary "belief systems" that are "fighting for the soul of America." He labels them, somewhat annoyingly, Patria, Corporatia, Disia, Media, Gaia, and Officia. Patria is the religious state, by which Gerzon means Christian, conservative, fundamentalist America; Corporatia is the business world; Disia comprises the disadvantaged, the dispossessed, and their advocates; Media is, of course, television, newspapers, movies, etc.; Gaia (named for the earth goddess) includes environmentalists, New Agers, and assorted mystics and spiritualists. Finally, Officia comprises the government, as

CHARLES SLACK *is a reporter for* The Richmond Times-Dispatch.

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well as those who are not employed by the government but who believe government has most, if not all, of the answers to our troubles.

The first 200 pages or so of *A House Divided* provide detailed summaries of these states, complete with a sort of Dewar's Profile sketch of each, including that group's "core belief," "defining events," "sacred text," and so forth. Gerzon presents a familiar lineup: Ralph Reed of the Christian Coalition is "one of the generals of Patria," promising that one day "we will be larger and more effective and will reach more people than the Democratic and Republican parties combined." For Corporatia we get an oil company executive who laments high taxes and insists, "We think we manage money better than the government does." The Media chapter serves up ratings-hungry entertainment executives, straight out of "Network," praying to the goddess of the latest Neilson's. Gerzon is carefully nonjudgmental throughout; his mission is to draw the sides together, not thrust them apart. In addition to its weaknesses, he assures us, each state has inherent strengths.

Gerzon is the author of several books and founder of a Rockefeller Foundation project called The Common Enterprise, which "promotes public dialogue about solving community problems and bridging societal gulfs." As a senior at Harvard in the late '60s he wrote *The Whole World is Watching: A Young Man Looks at Youth's Dissent*, and he has fashioned a career analyzing and mediating conflict. But there is something galling about the suggestion that one's ideas belong to a "belief system." One shudders to contemplate dinner table discussions in the Gerzon household, presided over by a man who describes a dispute he once had with his wife in this way: "The power struggle in our marriage was an intimate clash of two belief systems." And here Gerzon has a nation of nearly 300 million citizens boiled down to six belief systems. There are others, he admits, but these are the prevalent systems, the ones clawing for our allegiance, the ones threatening to tear us apart.

The primary lament in the book is that Americans have somehow lost their knack for listening to one another, for acknowledging their differences and working cooperatively towards a resolution. Instead, we retreat to the safety of our own moral cocoons, shouting our own philosophies but never bothering to listen to the other side. Yes, you might say, but what about all those millions of people out there who are deeply religious and capitalists; who work for the media and care about the environment; who are poor and believe in the government, or any of the other possible permutations? Early on in his book, Gerzon acknowledges: "Most Americans are not captives of just one of these belief systems, but have multiple citizenship in more than one of the Divided States."

Where then, is the danger? How seriously divided can the states be if their inhabitants cross-pollinate so freely? Gerzon's hypothesis, then, depends on the idea that the states are "struggling for America's soul," as he puts it. We may be free for now, but we are being drawn like so many magnetized metal shavings toward one fanatical allegiance or another. If we don't do something, the division will become complete.

Gerzon strings together the sort of anecdotal evidence of violence, stupidity, and incivility that are always in sufficient supply in America for alarmists to weave a tapestry of national moral decline. And his profiles of the divided states reveal to us what we already know—that there are plenty of zealots out there clinging to a single cause and dismissing all non-believers as un-American. But Gerzon's admission that most Americans belong to multiple states, and his failure to demonstrate in any convincing way that this is changing, are reassuring rather than alarming. America has been, and remains for the most part, a nation of free-thinking skeptics who are suspicious of zealotry and like to distribute their philosophical eggs among several baskets.

More troubling than the problems Gerzon outlines are his solutions, his call for a "New Patriotism...rooted in love, not hate." The new patriots are those who cross the boundaries of the divided states and "seek collaboration toward a common goal." While acknowledging that Americans will continue to disagree on things, Gerzon envisions a nation where they do so nicely and constructively, focusing always on "building the community." Where bad old notions of patriotism celebrated single-mindedness and conformity, the new patriotism celebrates the diversity of the American people, Gerzon tells us. But somehow that vision of a wonderfully diverse America includes everybody working toward common goals—which sounds an awful lot like single-mindedness and conformity.

Gerzon is clearly concerned about the state of the media. While not actually advocating censorship, he foresees a future in which television broadcasters stop sensationalizing in search of ratings and spend more time edifying. Like all suggestions that Americans be protected from their own tastes, this argument is faintly elitist. It's easy to sneer at ratings, but Gerzon, as a consensus builder, should love them. What are ratings but the most direct and democratic way of building a consensus about what people want to watch?

The final portions of the book include a sort of manifesto for the new patriot: 50 steps toward becom-

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ing a citizen of a unified nation. "The new patriots express their love for America every day in countless ordinary acts that serve their fellow citizens and their communities," Gerzon writes. The new patriots may disagree on issues, but they "agree about the process by which their divergent beliefs could be explored and how the resolution of their conflicts could be sought." These 50 tips—49, actually; Gerzon leaves the 50th up to the reader—contain some sincere admonitions that any citizen would do well to embrace: Tell the truth, stand up against bigotry, learn before you criticize, have faith in democracy. Gerzon's heart is in the right place, but his vision of democracy does not include room for the fact that democracy, in addition to guaranteeing freedoms, is frequently messy, harsh, chaotic, belligerent, arrogant, and unkind—not because of some spiraling moral decline or widening divisions in the American citizenry, but because that is the nature of democracy.

Solving problems amicably is all well and good, but it's hard to see what exactly Gerzon and his ilk are advocating when they talk about getting us all moving toward the same goals. Except during times of true crisis, when free-thinking Americans inevitably do come together, the raw, unprecedented beauty of America has never been, as Gerzon suggests, that "the measure of our citizenship is our connection to each other." It is the extent to which we are left alone to choose our own paths and associates, and to pursue our own idea of the American dream.

As Jonathan Rauch argued brilliantly in his 1993 book, *Kindly Inquisitors*, America's strength lies not in enforced niceness or artificial notions of community, but in a system of "liberal science" that exposes all ideas seeking currency to vigorous and, sometimes, harsh scrutiny. What unites Americans is an understanding that this requires living by certain rules, and a commitment to oppose those who break the rules.

Despite all the talk about new ideas and new directions, truly new ideas are antithetical to consensus builders. Any new idea or discovery that turns out to be right automatically declares dozens, maybe even hundreds, of old ideas wrong. And among consensus and community builders, there are few rights or wrongs, merely the vast gray zone of belief systems. ●

Oxy Moron

A look inside petroleum magnate Armand Hammer's world reveals an empire built on bluster

By Michael Ybarra

DOSSIER: The Secret History of Armand Hammer
By Edward Jay Epstein
Random House, $30

Anyone who ever paid the old, steep ($9, if memory serves) admission to the Armand Hammer Museum of Art in Los Angeles knows what it was like to be cheated by the master himself. Despite dabbling in the art business for more than half a century, dipping into the deep pockets of his company, Occidental Petroleum, and hiring a former director of the National Gallery as a consultant, Hammer's effort to be immortalized as a latter-day de Medici fell flat: The museum's collection was weak and spotty. Even the highlights had a distasteful whiff to them: the DaVinci manuscript that the oil magnate renamed the "Codex Hammer" (current owner Bill Gates has restored its old name, the "Leicester Codex") was sliced up like a loaf of bread for display, and the treasure trove of Daumier lithographs had been practically stolen from the L.A. County Museum of Art, where Hammer had been a trustee before reneging on a promise to leave his collection to the institution.

But in a sense it was the perfect memorial for Hammer: a hugely expensive, forbidding marble edifice built with other people's money and serving little purpose but the glorification of an extraordinary ego. As Edward Jay Epstein makes clear in his fascinating book *Dossier: The Secret History of Armand Hammer*, the story behind the man is a study in almost breathtaking deceit, cruelty, and megalomania.

Epstein had the good fortune to draw on sources

MICHAEL J. YBARRA *is working on a book about Senator Pat McCarran, McCarthyism, and the domestic cold war.*

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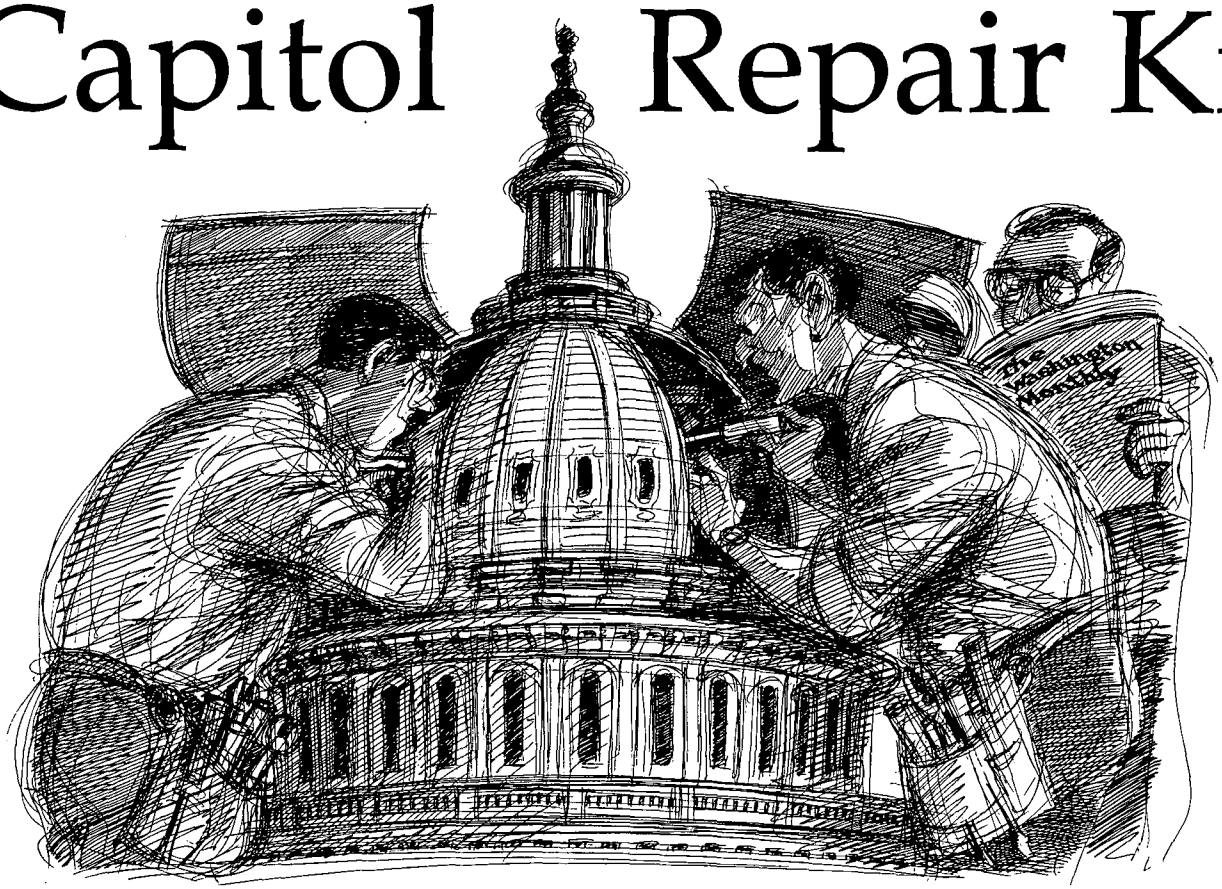

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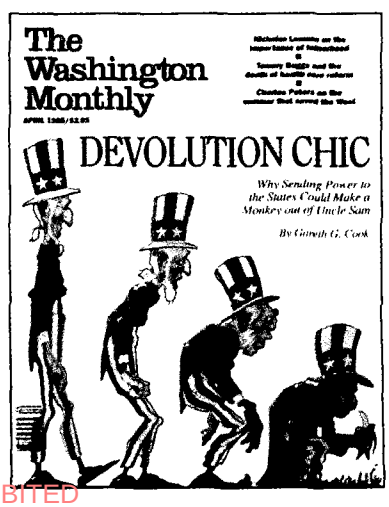
"... holds up a deadly accurate mirror to the Washington political culture, exposing its hypocrisies, stupidities, and unexpected triumphs." —*Chicago Tribune*



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unavailable to previous Hammer biographers: Soviet archives, FBI and SEC records, and Hammer's own tapes of his misdeeds, which he sometimes recorded through microphones in his cuff links. The author paints a brisk, engrossing portrait of Hammer in barely 350 pages. And although the writing is almost journalistic (news is grim, messages terse) and the man himself never quite crackles to life, the story is so spectacular and the reporting so thorough that one can hardly quibble with the result.

Hammer reads like a character out of Balzac. He dumped one wife and married a rich widow, while simultaneously shipping off a pregnant mistress to Mexico and forcing her into a sham marriage so that the child would not have the Hammer name (although he insisted on naming her after his grandmother). When his second wife became suspicious of his young art adviser, Hammer ordered the adviser/mistress to legally change her name and wear a disguise so that the two could continue seeing one another. He had a paternity test performed on his 59-year-old son Julian—who needed an appointment to talk to his father by phone—without telling him. He diverted millions of Oxy dollars into a private slush fund, using some of the money to build a college in hopes of getting nominated for a Nobel Peace Prize. He created a movie unit at Oxy called Armand Hammer Productions (which was fitting since the studio existed to make films about him), and he bought the Arm and Hammer baking soda company because it sounded like his name. Next to Hammer, even Ross Perot looks self-effacing.

The book also reminds us of the sordid role money often plays in American politics and how often influence mongering distorts the workings of the marketplace, making a success out of someone who came close to destroying every business he touched. Hammer's only real triumph, it seems, was the creation of his own myth during his lifetime.

The only person who ever appears to have intimidated Hammer was his father, Julius. A Russian emigrant, Hammer père was a doctor, a businessman, and a devoted member of Daniel DeLeon's Socialist Labor Party, a forerunner of the American Communist Party. He named his first son, born in 1898, Armand, after the arm and hammer insignia of the party. The elder Hammer ran a chain of drug stores, but was a better revolutionary than businessman, for years funneling money to the party while cheating his creditors—a lesson his son would learn well.

Julius was too busy selling smuggled diamonds for the Soviet Union to bother much with his three sons, whom he bundled off to live with various socialist friends for several years. The only act of parental responsibility he appears to have taken was when he went to Sing Sing for a botched abortion that Armand performed while a med student. Armand paid his dad back by going to the Soviet Union as a courier in 1921.

The younger Hammer spent much of the next decade in Moscow, publicly a businessman trying to open the Soviet Union to capitalism, privately laundering money for the Soviets to finance espionage and revolution abroad. Although he ran the largest pencil-making concern in the U.S.S.R., most of Hammer's ventures were failures, and he was almost broke when he returned to the U.S. in 1931. That didn't stop him from publishing an autobiography, *The Quest for the Romanoff Treasure*, in which he claimed he'd gone to Russia as a doctor on a humanitarian mission and accidentally wound up a successful businessman, amassing millions of dollars and a great art collection. Soon Hammer was selling these "masterpieces"—the art mostly junk he was unloading for the Soviets. When he had trouble even keeping this bogus business afloat, Hammer acquired a government loan, allowing him to continue to defraud U.S. buyers and raise hard currency for the Soviets.

Besides collecting Russian art, Hammer also collected American politicians: among them Tennessee Sen. Al Gore Sr. and California Rep. James Roosevelt, FDR's ne'er-do-well son. And when Hammer discovered that J. Edgar Hoover and the FBI were blocking his doing business with the government because of his suspected dealings with the Soviet Union, he enlisted McCarthyite New Hampshire Sen. Styles Bridges to help him clear his name. Hammer blamed everything in his copious FBI record on his dead father. It worked.

Hammer had his first real business success toward the end of WWII with United Distillers, making cheap spirits. Soon the company payroll included Hammer's yacht captain, his airplane pilot, his chef, and even the farm hands on his estate breeding the prize bulls whose steroid-addled semen Hammer sold to unsuspecting ranchers. Hammer's smartest business move, however, was marrying Frances Barrett Tolman, a 53-year-old widow with lots of money. Despite his lavish lifestyle (paid for by the distillery), Hammer was earning less than $27,000 a year; his debts were piling up and his businesses sputtering. With his new wife's bankroll he was able to become the head of Occidental Petroleum Corp., a small Los Angeles oil company on the verge of bankruptcy. Then, through sheer bluster, Hammer was able to inflate the company's stock price and bribe his way into a lucrative oil lease in Libya. Oxy went on to become the 14th largest industrial concern in the U.S.

While Hammer owned less than 1 percent of the

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company's stock, he ran Oxy as if it were a one-man business operating out of his garage: The company paid for his art collection, his philanthropy, his eponymous peace conference, and his extravagant birthday parties. "There are no committees, no auditors," Hammer once boasted. "You're looking at Oxy."

Eventually Hammer's luck waned. After giving a $54,000 illegal contribution to Richard Nixon's reelection campaign, then lying about it to the FBI and a Senate committee, Hammer faced felony charges of obstruction of justice. He initially agreed to plead guilty to a misdemeanor charge of making an illegal campaign contribution. But when Hammer blanched at actually admitting guilt in court, the government killed the plea bargain and started to move ahead with the case. At that point the robust 77-year-old was suddenly stricken ill and allowed to plead guilty to the misdemeanor charges. Hammer showed up in court in a wheelchair, trailing wires to a heart monitor, while aides held an oxygen tent at the ready. The next day a recovered Hammer was back in his office. "He was," one of Hammer's associates told Epstein, "the most devious man I ever met or could imagine."

Years later, Hammer tried to buy a pardon from Ronald Reagan by pledging $1 million to his presidential library. When Attorney General Edwin Meese found a problem with overruling the Justice Department on the issue, Hammer forgot his pledge, and later convinced President Bush to pardon him. The nonagenarian, who had denied his Jewishness for most of his life, then seduced Menachem Begin into nominating him for a Nobel Prize. But that quest was ended prematurely by cancer—a disease Hammer had expected to take credit for curing.

Hammer died in 1990 at the age of 92. His only son didn't attend the funeral. Within a year, more than 100 lawsuits were filed against his estate by charities, museums, and family members. Oxy had to write off $2.5 billion in losses from Hammer's wild global ventures and dismantle a corporate personality cult that would have done Kim Il Sung proud. And although Occidental couldn't completely rid itself of the $96 million Hammer Museum (it's adjacent to corporate headquarters) the company turned it over to UCLA, which cut the admission price and took down the huge portrait of its founder. The Hammer name, however, is still carved in three-foot-tall letters on the side of the building—a bit of Ozymandias on Wilshire Boulevard. ●

Technology vs. Training

In an age of technology worship, a trained fighting force is increasingly an afterthought

By David Evans

DIGITAL SOLDIERS
The Evolution of High-Tech Weaponry and Tomorrow's Brave New Battlefield
By James F. Dunnigan
St. Martin's Press, $25.95

In taking aim at the evolution of high-technology weaponry, James Dunnigan has produced a book analogous to the uneven performance of a beginning shooter in military marksmanship: He makes a few 10-point hits inside the bull's eye, but a depressing number of shots land out in the boundaries of the target sheet.

Pity. Dunnigan begins sensibly enough, asserting what many weapons experts in America's defense establishment know but rarely say publicly: "High tech does not always equal performance, or even minimal effectiveness." From the Gulf War, we now know that some of the most sophisticated tactical fighter-bombers ever fielded by the U.S. military failed to destroy a single Iraqi Scud missile launcher, while the unheralded success story was that of the A-10 "Warthog" attack jet, which cost a fraction of its faster, sleeker brethren, yet, according to Iraqi prisoners, was among the most feared of the Allied jets.

Dunnigan is also right on his second point that, despite mixed results, there is a "continuing rush to automate" the battlefield with a panoply of even more complex weapons. "Digitize is the buzzword du jour,"

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he claims. In the digital promised land, all sensors and weapons are linked in a vast network enabling American soldiers to concentrate their firepower on a hapless foe.

Dunnigan cautions that "training is the key," and one wishes he had spent more time illustrating how Congress remains brain-locked on buying more weapons rather than ensuring that troops are trained in their use. In a February 1996 study of the Gulf War, Stephen Biddle of the Institute for Defense Analysis rediscovered proof of the old aphorism about fighting skills counting more than technology. Biddle found that the lopsided results suffered by the Iraqis could not be explained entirely by American technological superiority, but by the fact that the skills of our troops enabled them to exploit the Iraqis' tactical blunders. Biddle observed, "A less-skilled (U.S.) military is more dangerous than a less-advanced technology."

Yet the exact opposite priorities are reflected in the 1997 budget, where for every dollar added to operations and maintenance, Congress added roughly $6 to buy weapons. If the same approach is taken to a shrinking defense budget in coming years, the decay in combat skills will erode our troops' ability to exploit their technological advantage.

Dunnigan frets about cuts to the training budget, but there aren't five pages in his 295-page book devoted to the critical issues of training, crew selection, unit cohesion, and the overarching need to assign the smartest soldiers as "trigger pullers." Dunnigan's journalistic priorities mirror the misbegotten budget priorities in Congress.

Nor does Dunnigan devote sufficient attention to the effort needed to keep some of America's high-tech weapons in fighting order. It may be a nightmare for enemy operators to detect and track the Air-Force's B-2 stealth bomber, but the airplane's radar-scattering and absorbing coatings are a nightmare for Air Force ground crews to maintain. The airplane's engines, landing gear and radar require only about two hours of maintenance for every flying hour. Those touchy stealth coatings, though, keep ground crews working 30 hours for every hour the B-2 flies. Ironically, the effort required to keep the bombers stealthy keeps more of them grounded than an enemy could ever hope to shoot down. According to Air Force statistics, the first B-2 squadron achieved an average "mission capable" rate of a mere 15 percent in its first year of service.

Among Dunnigan's wildly off-target shots is his claim that the Gulf War featured "the most extensive use of smart bombs." Not so. Although some 17,000 air-to-ground guided weapons and missiles of all types were rained down on the prostrate Iraqis, more than 25,000 laser guided bombs alone were dropped during the Vietnam war.

Dunnigan asserts that the AWACS (Airborne Warning And Control System) radar planes proved their worth. Well, what about the incredibly incompetent AWACS crew that sat and watched their scopes as two F-15 fighters shot down two Army Blackhawk helicopters in April 1994, killing all 26 aboard? Nor does he mention the 100-mile wide "doughnut"—the close-in blind spot where the AWACS radar doesn't see.

He also presents the Navy's one-sided argument for a missile-armed "arsenal ship" to fill the critical shortfall in naval gunfire support. Every description, however, is of a ship with no self-defense and no target-detection capability (unable to protect itself, the arsenal ship could be easily boarded and commandeered by Malaysian pirates). It must rely on other ships to compensate for these grievous deficiencies. The arsenal ship seems more like a dead-end concept than a revolutionary leap in naval warfare. Furthermore, staff experts in Congress have not been impressed with the Navy's briefings. At a cost of $500 million, it does not appear that Congress will fund a prototype.

In his brief discussion of weapons testing, Dunnigan's argument is nothing short of perverse. He asserts that the bar is too high in terms of "unrealistically stiff requirements." Let us bear in mind that combat-relevant weapons testing is the ultimate form of consumer protection for the soldier, sailor, airman, and marine going in harm's way. Tough minded, independent weapons testing is the one thing our defense establishment has the time to conduct, now that the pressure is off to rush weapons into the field to match the Evil Empire's latest tank or fighter.

Where does Dunnigan get this notion that the bar is too high? This reviewer recalls vividly the case of the shoulder-fired AT-4 anti-armor rocket, where the "required" thickness of steel was reduced to what the weapon's demonstrably-inadequate warhead could penetrate. Similarly, the C-17 jet transport originally was supposed to be able to carry a 174,000-pound payload an unrefueled distance of 2,700 miles. Prime contractor McDonnell Douglas eagerly sought the contract. As the plane gained weight in development, the spec was relaxed to 162,000 pounds for 2,400 miles. The bar was lowered, but not the price. And even though the plane is supposed to fly cargo into forward-area airstrips, exposing it to possible enemy anti-aircraft fire, only a small slice of the wing leading edge will be subject to live-fire testing.

In fact, given the low commitment to survivabili-

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ty testing, it will soon be possible for the troops to be delivered all the way from the U.S. to face-to-face combat with the enemy in untested vehicles. They can fly inadequately tested C-17 jets from the States, then fly to forward airstrips in tactical C-130J turboprop transports that will be exempted from live-fire testing. Or, they can go by sea in LPD-17 amphibious ships that will not be shock-tested, then put ashore in Advanced Amphibious Assault Vehicles (AAAVs) that Pentagon technology bureaucrats are vigorously lobbying to have exempted from full-up testing against threat weapons. One has to wonder if the Pentagon opponents of survivability testing own stock in body bag companies.

Maybe the "minimal effectiveness" of many high-tech weapons that Dunnigan laments results from the fact that they flunked their tests and were deployed anyway—or weren't tested at all to gauge performance.

Why isn't Dunnigan's discussion of weapons testing, and the eroding commitment to combat-realistic tests, more informed? For a big hint, look at the absence of documentation. No bibliography. The text suggests an exclusive reliance on secondary sources: published works, not primary source-material or personal interviews. A search of the Nexis database didn't turn up much on testing, other than the occasional puff-piece in *Aviation Week & Space Technology* magazine. Don't expect that defense industry-friendly publication to say much about realistic weapons testing and its potential threat to the steady flow of funds to contractors who also happen to advertise heavily in the magazine.

And yet, had he focused on the testing issue, Dunnigan would have uncovered far more compelling evidence that "digital soldiers" are still a long way off. It sure looks like he did most of his research by computer; maybe that's why as a "digital writer" he's so far off the target. ●

Is Microsoft a City on a Hill?

Does today's technology superpower deserve the abuse—or does it really need our sympathy?

By Steve Lohr

THE MICROSOFT WAY: The Real Story of How the Company Outsmarts Its Competition
By Randall E. Stross
Addison-Wesley, $25

In February 1995, federal judge Stanley Sporkin rejected the antitrust settlement reached a year earlier by the Justice Department and the Microsoft Corporation. Judge Sporkin set aside the consent degree, saying it was a mere wrist-slap that did little to curb the big software maker's "monopolistic practices." His decision, Sporkin explained, was based on his own study of the issues, particularly his recent reading of *Hard Drive*, a book that dealt harshly with Microsoft.

Bill Gates and Microsoft's legal team were aghast that a federal judge would be swayed by a book written by a pair of Seattle newspaper reporters, and, indeed, Sporkin's ruling was eventually overturned. Yet ever since that unnerving episode, the young software dynamos in suburban Seattle must have longed for a sympathetic treatment that would present Microsoft's case—in particular, the case Microsoft would most like to see made is that antitrust watchdogs, the courts, competitors, and some economists should stop fretting, lean back, and just let the markets of the information age work their magic.

It is impossible to imagine a book doing so more forcefully than *The Microsoft Way* by Randall E. Stross. In the author's view, the arguments of Microsoft's rivals are nothing more than self-interested carping; the Justice Department's antitrust officials don't grasp how high-technology markets work; and Microsoft won its dominant role in the industry fair and square. And, he asks, where is the public policy issue when the

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price of Microsoft's products keep dropping?

These points are all—more or less—reasonable. The trouble with the book is that Stross makes them with such histrionic overkill that they undermine his case. The heavy breathing begins with his depiction of Microsoft as generally hated—as, in his terms, "the apparent apotheosis of crude, ruthless, business power" and later as "the handy villain." His book then becomes a "revisionist view" set against the misguided popular opinion of Microsoft as the epitome of corporate nastiness. Of course, Stross is a professor of business at San Jose State University and a fellow at the Center for East Asian Studies at Stanford University, so perhaps at the Silicon Valley dinner parties he attends people despise Microsoft. But the last time I looked, Microsoft was one of the most admired companies in America, and Bill Gates was a national hero. He may not be Michael Jordan, but all across the country, many bright kids today want to be like Bill.

Its ostensibly villainous reputation has certainly not hindered Microsoft in its recruiting efforts. And indeed, Stross does an excellent job of describing the "learning culture" that has been crucial to Microsoft's becoming a great company. The formula: hire the smartest young people you can find, challenge them constantly, force them to take risks, recognize mistakes quickly, and then correct them.

Not content to merely describe, Stross veers off to all but suggest that any criticism of Microsoft is merely the misplaced resentment of the lesser beings who reside outside the Olympus of intellect in Redmond, Wash. "To talk about Microsoft and public antipathy is to lay bare our longstanding national ambivalence about intelligence," the author writes at one point. Later, he asserts, "Knowing of the public's unease about smarts, Microsoft has had to police itself to suppress any signs of arrogance concerning its reservoir of above-average minds." Right. If Stross had found a deep vein of modesty or self-deprecating humor in Redmond, *that* would have been a revelation.

The author's penchant for this kind of overwrought froth is a shame, because it gets in the way of what is often a cogent narrative. When Stross sets aside his soapbox, he has a good story to tell—the history of Microsoft's expansion since 1990. The best chapters are the ones on how the company first stumbled and then vanquished the traditional encyclopedia industry; its courtship and competition with personal-finance software maker Intuit; and its corporate overhaul to address the challenge posed by the Internet.

The evolution in thinking of Microsoft's top management, detailed in e-mail memos to which Stross was given access, is fascinating. Much of it comes from Nathan Myhrvold, a playful astrophysicist-turned-software exec who now heads Microsoft's research and development unit. The Myhrvold memos mirror the man, articulate, thought-provoking, and irreverent (only the last characteristic is rare at Microsoft). In one missive, he urges the company to invest heavily in products and services for the successor to today's Internet—the so-called information highway, which promises to bring to home screens everything from movies to news to volumes from the world's great libraries at the tap of a button.

Microsoft certainly has the money to invest, Myhrvold pointed out in a March 1994 memo, noting that the company was sitting on a cash nest egg of $2.5 billion that was being added to at the rate of $100 million a month. Microsoft, he advised, should take the lead in building an empire on the information highway. The company's technical skills, he added, should provide another advantage. "J.P. Morgan didn't really have to understand the process of steel-making very deeply to create U.S. Steel," Myhrvold wrote. "Would-be Morgans of the information highway may find that there are plenty of technical gotchas which give folks like us the edge."

Microsoft's financial muscle is a byproduct of its dominance of the software industry. The company clearly got a big boost when, in 1981, IBM chose Microsoft to supply the operating system for its personal computers. (An operating system controls the fundamental operations of a computer, and gives the machine its basic look and feel.) Still, Microsoft's stunning success over the years is mainly attributable to its own efforts. What Bill Gates has demonstrated, Stross explains, is that he understood the economics of the software market earlier and to greater effect than anyone else. Time and again, he acted and bet heavily on that understanding—and won.

Simply put, Gates recognized that the PC software business tends toward monopoly. So aggressive price-cutting, deals with manufacturers, and other steps, however costly in the short term, are cheap investments if a company's product can become the standard in the industry. Once it does, as did Microsoft's DOS and Windows operating systems, and later its word processing and spreadsheet programs, the financial payoff and marketplace advantages are enormous. Customers are reluctant to spend the time and money to switch to a rival software product, especially since coworkers and friends use the existing industry-standard program. Economists

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describe these forces with terms like "network effects" and "positive feedback cycles."

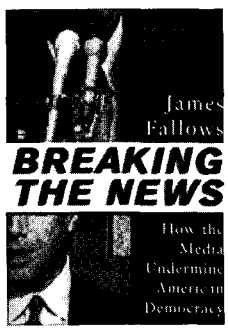
When Microsoft entered the on-line business in 1995, the company used its new operating system, Windows 95, to market its on-line service. The icon for the Microsoft Network appeared on the screen, offering a point-and-click sign-up for the service. The tactic is known as "bundling." Competing services, like America Online, can have their icons bundled onto machines by personal computer manufacturers, but they must pay for the privilege.

Microsoft Network has not done as well in the early going as Microsoft's rivals feared. But to argue, as Stross does, that the bundling practice is thus not a marketing advantage for Microsoft seems a stretch. And similarly, to point out that Microsoft has successful competitors in segments of the software business, like Intuit in personal-finance programs, hardly proves that Microsoft's control of the operating program market is not an advantage.

Consumers, to be sure, benefit from technology standards. Standards work to lower prices and help accelerate the spread of new technology. Should Microsoft be punished merely because by dint of smarts, hard work, and luck it happens to dominate one of those standards? Absolutely not, argues Stross, who seems to think Microsoft is being persecuted by the Justice Department and the press. But so far, the Justice Department has agreed with Stross for the most part. The consent decree settling the government's antitrust investigation of Microsoft's operating system business was a wrist-slap, requiring only a small change in its licensing contracts. And although the Justice Department has looked at Microsoft's bundling of Microsoft Network on Windows 95 and has subpoenaed documents on the marketing of its Internet products, as of this writing, the government has taken no action on either front.

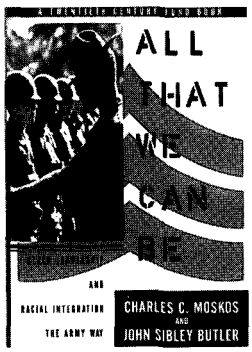
In economics, it is said, fairness is not an issue. But in matters of public policy, it often is. In Microsoft's case, the issue of legitimate interest to the government is not Microsoft's domination of current markets, but whether it uses that power to unfairly inhibit competition in new markets. So unless the Internet puts computing on its head, thus eliminating Microsoft's considerable advantages, the company will likely find that continuing government scrutiny is a fact of life. ●

The 1996 Political Book Awards



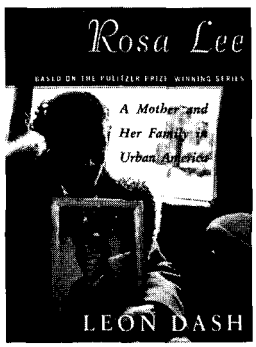
Breaking the News

By James Fallows



All That We Can Be

By Charles C. Moskos and John Sibley Butler



Rosa Lee

By Leon Dash

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Political Booknotes

Just the Facts?

By Dante Ramos

E.D. HIRSCH JR., WAS BRIEFLY famous in 1987, but mostly due to bad timing. In his book *Cultural Literacy*, the University of Virginia professor of English argued that most American adults have too little factual knowledge about history, literature, science, and other fields to sustain an intelligent national discourse. But many media commentators ignored the argument and merely compiled cutesy, stump-you quizzes from *Cultural Literacy*'s appendix, a list of important names and terms Hirsch believes all Americans should be able to identify. It was easy to perceive him less as a would-be education reformer than as an apologist for the 1980s trivia-game fad.

THE SCHOOLS WE NEED AND WHY WE DON'T HAVE THEM
By E.D. Hirsch
Doubleday, $24.95

Hirsch's ideas deserve better treatment. In his new book, *The Schools We Need and Why We Don't Have Them*, he again asserts that general factual knowledge is a vital part of learning. He also believes this factual knowledge should be enshrined in specific nationwide educational standards. Yet for decades, progressive-minded education professors have urged teachers in grades K-12 to eschew facts—say, the roles of the major figures in the French Revolution—in favor of critical-thinking skills, even though considerable psychological research and the performance of American students in international comparisons suggest that this approach is ineffective. Certainly Hirsch is making a bold claim: that most education researchers are simply wrong about how children learn, just as Marxists were simply wrong about the way economies work. But his analysis is fascinating, and his conclusions are often compelling.

Many education writers and researchers would hardly be bothered by the suggestion that schools don't teach facts anymore. "The blowout of potential information on the information superhighway is an indication of the implausibility of a factoid-based approach to curriculum," one educator declared in a telling letter to *The Washington Post*. "Students have to be challenged to articulate the questions that need attention in the solution of problems.... Students don't need to be drilled in isolated facts; they need the intellectual space to develop skills for asking pertinent questions and for knowing where and how to find the needed data." Most contemporary education researchers believe rigid content requirements effectively require the stupefying repetition of often irrelevant data, impede children's acquisition of cognitive skills, and prevent teachers from catering to individual students' strengths and needs.

This belief is variously called "progressive," "modern," or "child-centered," and Hirsch cleverly traces its origins to a strain of naturalistic individualism that grew out of the Romantic movement and still pervades American culture. To Hirsch, the success of such bestsellers as *The Hurried Child* proves that Americans are suspicious of artificial interference with the natural development of children. And if the popular notion is that children learn what they need to know when they're good and ready to know it, the idea that children shouldn't be burdened with abstract facts becomes comprehensible. Frequently, other progressive innovations follow, including "hands-on" discovery learning, descriptive report cards without letter grades, the abandonment of "whole-class" instruction, and the postponement of certain mathematics topics until "developmentally appropriate" ages. Progressive theorists believe classroom education should be as lifelike and natural as possible.

But formal education is an inherently artificial process, and the introduction of naturalistic methods may not improve it. In systematic studies of instructional methods, children in progressive classrooms couldn't read or do math as well as children whose teachers taught facts and required considerable repetition and practice, and usually addressed the entire class at once. Discovery learning, for example, is a pleasant but inefficient way to teach traditional academic subjects. Students in an honors geometry class I happened to visit at a well-respected Louisiana public high school spent an hour photographing examples of geometric fig-

transaction

Revolutionary Strategy

A HANDBOOK FOR PRACTITIONERS

Ernesto Betancourt

An understanding of revolutions and their causes is a necessity when those involved—journalists, businessmen, military and political authorities, government advisors—must act quickly, often without complete information and limited decision-making time. *Revolutionary Strategy* is written for these people. Drawing on thirty years of experience with revolutionary situations, Betancourt's handbook establishes a framework for the analysis of revolutionary dynamics, and applies this framework to two representative case studies: Castro's successful revolution against Batista in Cuba and the Tupamaros' unsuccessful effort in Uruguay. ISBN: 1-88738-411-0 (cloth) 203 pp. $32.95

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ures around the school yard. But while the assignment probably did force students to "think critically" about the relationship between geometry and nature, they might have thought much harder by learning in the hoary old way: working through proofs of complex geometrical theorems.

Hirsch is not claiming that the ability to recite obscure dates or definitions should be the goal of education. But he does believe that knowing certain facts is vital to substantive learning. He declares, "The real-life competencies that people need, such as the abilities to read, to write, to communicate, to learn, to analyze, and to grasp and manipulate mathematical symbols, have major components that psychologists have found to be 'domain-specific.' This means that an ability to think critically about chess does not translate into an ability to think critically about sailing." It also means that learning can't be painless. Unfortunately, the repetition that educational progressives deride as "drill and kill" is key to mastering most vital skills, including reading, composition, and mathematical computation. "Constantly to create a lifelike, 'meaningful context' is not the principle that is followed in teaching young children ballet, or piano playing, or downfield blocking, where some admixture of specialized drill and practice is thought to be essential," Hirsch writes.

To Hirsch, the contrast between the worldwide renown of American universities and the depressing (but now familiar) performance of American elementary- and secondary-school students in international comparisons proves the superiority of traditional education. "Our colleges and universities...place great value on depth, breadth and accuracy of knowledge, as well as on independence of thought," he writes. "But depth, breadth and accuracy of knowledge are the very things that our K-12 system tends to disparage as belonging to the 'banking theory of schooling.'" Ultimately, the ubiquitous (but ill-defined) critical thinking that elementary and secondary educators so value is only possible when students know enough facts—and therefore have enough points of reference—about the world to make reasonable inferences and conclusions, Hirsch believes. Applying formal skills to looked-up data is a poor substitute for critical thinking about subject matter that a student knows well.

Yet education scholars who advocate research-based methods often seem to operate in a universe bounded by the work of other education scholars and impervious to the findings of psychology and neurobiology. And they dismiss international comparisons that ought to alarm them by pointing to America's considerable cultural diversity and social problems. Hirsch rightly sees this excuse for what it is: a condescending presumption that poor and/or minority children can never be expected to learn as much as soccer-playing white kids from the suburbs. Assuming that students don't learn facts in school, Hirsch suggests that wealthier students' main advantage is that they learn more facts at home than poorer students do.

This assertion is surely an oversimplification, but it packs considerable explanatory power: In France, where even preschools are subject to a fact-based national core curriculum, the learning gap between advantaged and disadvantaged students, including immigrant children from North Africa, narrows with every school year. In early 1925, before the advent of progressive curricula, low-income black soldiers from states with good educational systems scored higher on standardized tests than white soldiers from states with bad schools. (Of course, progressives dispute the value of standardized tests, possibly because the results are often discouraging.) Hirsch's suggestion that a classical liberal education furthers the modern liberal's pursuit of equity and the conservative's pursuit of efficiency is the knockout punch of his book.

Unfortunately, Hirsch is a bit overzealous. In *The Schools We Need*, he often writes as if American schools have taught no factual content whatsoever since mid-century. Just as good teachers in traditional schools have always leavened their lectures with visual aids and occasional hands-on projects, the good teachers in progressive schools recognize that students need a generous helping of factual knowledge to learn. And he doesn't consider such factors as the length of the academic year and the low salary of teachers relative to other professions as explanations for American schools' poor performance. But he's right to sound an alarm about the excesses of educational progressivism. Sometimes even the best teachers can fall victim to misbegotten theories.

DANTE RAMOS *is a reporter at* The Times-Picayune *in New Orleans.*

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Pro-choicers Against Adoption?

By John Marks

ABORTION HAS BECOME A NO-holds-barred battle between unyielding foes. As in all wars, propaganda merges with reality, and demonization of the enemy substitutes for communication.

As someone who works in the field of conflict resolution, I see no possibility of negotiating a settlement on the basic issue of abortion as long as the pro-life side sees abortion as murder and the pro-choice side believes that women have a fundamental right to choose. There does, however, seem to be a way to drain poison from the issue and, in the process, improve the quality of our national discourse. Instead

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of—or in addition to—pro-choice and pro-life supporters confronting each other on the legality of abortion, let them come together around frameworks that both can support.

Why not, for example, work together to prevent unintended pregnancies? Consider the case of Reproductive Health Services, a St. Louis abortion provider that became a national symbol after the 1989 Supreme Court case, *Webster* v. *Reproductive Health Services*. From the opposing perspectives of abortion supporters and foes, Reproductive Health Services was viewed as either a place of refuge or a killing field.

BEYOND PRO-LIFE AND PRO-CHOICE
By Kathy Rudy
Beacon Press, $23

Yet until 1993, Reproductive Health Services was not only an abortion provider. It also included an adoption agency, called Adoption Associates, that worked closely with area pro-life supporters. If a pregnant woman came to Reproductive Health Services and expressed a desire during counseling to give birth and put her baby up for adoption, Adoption Associates was likely to refer her to Our Lady's Inn, a Catholic home for unwed mothers. Our Lady's Inn, whose staff and directors were fervently pro-life, provided advice, pre-natal support, and residential care. Adoption Associates arranged placement with a family.

One would have thought that, irrespective of their differences, both sides could agree this was a good thing. After all, from the pro-choice point of view, women faced with unwanted pregnancies were given another option to choose; from the pro-life point of view, each baby born and adopted was a life saved.

In fact, neither much liked this cooperative arrangement. People associated with both Adoption Associates and Our Lady's Inn were accused of the same transgression: consorting with the enemy. Pro-lifers and pro-choicers mirrored each other when they said, in effect, that working together on adoption makes the other side look reasonable. Demonization is not possible if the adversary is credible and reasonable.

When Reproductive Health Services sought outside funding for Adoption Associates, every donor approached refused. No funder was willing to support the agency which had arranged for about 150 successful adoptions. Potential givers interested in the abortion issue usually support one side or the other. A collaborative adoption program clouded the issue. As a result, in 1993, Reproductive Health Services felt compelled to close Adoption Associates for lack of money.

It may be understandable why those directly involved in the abortion struggle would not want to divert resources to promote adoption, but what about the rest of us? Reframing the issue does not solve the core dispute, but it might help reduce the approximately 1.5 million abortions performed each year in the United States—an outcome that everyone should be able to support.

Unfortunately, as Kathy Rudy

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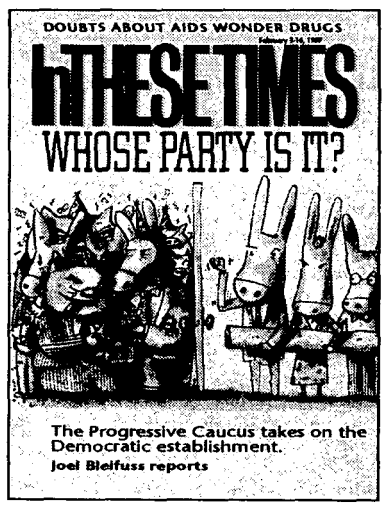

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writes in her thoughtful new book, "In the logic of today's debate, there is no room for third or fourth alternatives; each side claims a zero-sum game, an either/or structure."

An assistant professor of ethics and women's studies at Duke University, Rudy was raised Catholic and left the Church over "political quarrels." She is torn between the extremes of the issue: She feels that abortion is wrong but believes that the state should not interfere with a woman's right to control her body. She writes:

> We believe one thing, and at the same time we believe something completely contradictory. Our convictions are splintered, our loyalties divided. Our ambivalence signifies the fact that we live in contradictory worlds.

My own view is that many, if not most, Americans share her ambivalence. For most people, abortion is not an absolute, black-or-white issue. It abounds with grays. Rudy presents her own framework for transcending the bifurcated debate. She calls for repeal of all abortion laws and states, "Competing ideologies should be fighting to make their world views intelligible and attractive to others, not fighting in the courtrooms over the legal status of abortion.... A tradition only wins in the abortion debate when a woman with an unwanted pregnancy sees the hope and possibilities offered to her by that tradition and changes her interpretation of her pregnancy as a result."

Rudy believes that for pro-life Christians, the most appropriate way to deal with abortion is to provide more effective assistance to women with unwanted pregnancies—which would logically reduce the demand for abortion. She says that pro-choice partisans "need to be working toward ways that break down the racial, class, and heterosexist barriers that exist between women in order to move into a world where women have a greater number of options than pregnancy or abortion."

Rudy's specific solutions probably too closely reflect radical feminist thinking to be of universal appeal. Nevertheless, she is completely on target with her central idea of the need to transcend the current deadlock.

A good place to start would be for pro-life and pro-choice advocates to rehumanize the faces behind the stereotypes and to come together for dialogue. At a time when most people seem frustrated with the polarities of the abortion debate, such dialogue might well produce fresh ways to think about and to act on questions of concern to women and children. As was the case when pro-choice and pro-life supporters cooperated to promote adoption in St. Louis, America might even wind up with both more life and more choice.

JOHN MARKS *is president of Search for Common Ground, a Washington non-profit group, one of whose projects is to promote dialogue and joint action around the abortion issue.*

Wake Up and Smell the Anger

By Tom Wicker

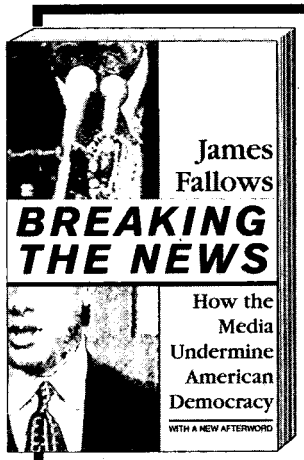
CARL ROWAN HAS GIVEN *THE Coming Race War in America* the subtitle: "A Wake-Up Call." Well, hell, as he might say in this colloquially written book, there's plenty for the nation to be awakened to. And what does it matter that I believe the apocalyptic prediction of his book is somewhat overwrought? If it alerts an either blind or uncaring America to its disastrous race relations—or, worse, if it fails to do so—a little overstatement will hardly matter.

Anyway, Rowan is on target most of the time. Even in an impassioned introduction, where he writes that a race war can be averted "only if we stop denying that a grave threat exists," his point is powerfully taken. Even if you don't believe there's a realistic threat of armed racial conflict, you'd better believe there is a high probability of economic and social decline that will blight the nation's future far more surely than the federal deficit over which so many crocodile tears are shed.

Americans cannot afford to deny that threat. Rowan puts it graphically: "While some blacks found dignity and political clout and economic opportunity over the last thirty years, the great mass of black Americans have not."

In other words, for all the illusory successes of the civil rights movement, and despite the deluded or willful belief of so many whites, including Justice Sandra Day O'Connor, that the movement resulted in a color-blind society, the nation remains a house divided—or, as other writers have put it, two nations, separate and unequal.

For confirmation, choose any statistic—that black unemployment consistently runs at twice the level of white joblessness, that the median net worth of black households is $4,604 compared to $44,408 for white households; or that, as Rowan writes, "the



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normal black family has $57 for every $100 available to the normal white family." That's a drop from the ratio of $64 to $100 in the Great Society era.

White racism, whether expressed as discrimination or indifference, in Rowan's view, is the primary cause of such disgraceful differences, and has made possible the unthinkable—a race war. There's a limit, he argues, "to how much oppression black Americans will take," regardless of how much firepower would be arrayed against the armed rebellion. He cites the Mayan Indian Zapatistas of the Chiapas state in Mexico for precedent—a weak people but one who "wouldn't take it any more." Even if their revolt can't win, they have made it clear "that life in Mexico [can] never be the same."

THE COMING RACE WAR IN AMERICA: A Wake-Up Call
By Carl Rowan
Little, Brown, $22.95

Rowan believes that the discriminatory attitudes of many whites, together with the more lethal plans of supremacist groups hoping "to take back America," will bring on a race war in which "black involvement...will largely be reactive." He also predicts that the lack of adequate gun control laws will result in extreme violence; and that Latinos, after realizing "the paranoiacs who spew forth rhetoric about killing to save the white race have no more respect for brown people than they do for black people," ultimately will fight beside blacks.

The last seems to me one of a handful of questionable contentions in what is admittedly a polemic—a "wake-up call" that is more nearly a cry of anger and anguish than a summons to arms. "If you run your society," Rowan asserts irrefutably, "in a way that leaves millions of men and women poorly educated and untrained for work, and millions more denied decent jobs because of racial and sexual discrimination, then you are going to have millions of people living in poverty."

Rowan insists, moreover, that in such a society there will be—and is, in the United States—"a direct correlation between a community's rate of violent crimes and its levels of racism—reflected in poverty, dearth of jobs and good schools, level of family breakdown, drug trafficking, sexual exposure and abuse, and general hopelessness and despair."

Too few whites, however, see, or will admit, that chain of cause and effect. They point instead to blacks' supposed genetic inferiority, laziness, deficient values, sexual promiscuity, criminal tendencies, or all of the above.

One by one, Rowan takes on these myths. He ably defends affirmative action ("Ninety-six percent of all the scholarship money in America goes to whites"), refutes those who believe welfare recipients are merely lazy, derides the argument that ending welfare will stop out-of-wedlock pregnancies, demolishes claims that blacks are genetically inferior, and persuasively attributes much of black crime (while admitting there's a lot of it) to poverty, homelessness, and a lack of jobs.

That lack, not welfare, he points out, is "how and why black people have become the heart of America's permanent underclass." Amen to that.

If you, like me, despite this *cri de coeur*, are not convinced of the likelihood of a race war, here's another Rowan prediction that may make you think twice: "If present trends continue, an absolute majority of black males aged 18 to 40 will be in prison and camps by the year 2010"—14 years from now.

If you or I were facing that prospect, we'd fight too.

TOM WICKER *is a former columnist for* The New York Times *and the author of* Tragic Failure: Racial Integration in America.

U.S. Social Policy: Underachieving and Dyslexic

By Barbara Boyle Torrey

WE ARE GOING TO BE SWAMPED with books at the millennium about the future of the United States. One way to decide which ones to read is to look in their indexes. If an index refers to Derek Bok extensively, read the book; if it doesn't, pass.

In *The State of the Nation*, Bok has taken on a formidable task. He has surveyed the major social changes in the United States since World War II and examined not only the causes of each trend, but also the pattern of the combined changes. His survey ranges from the economy to quality of life to opportunities to values. He examines in detail crime, race, education, children, the environment, the arts, health, poverty, and old age.

And if that's not enough, he then compares the U.S. social trends to those in other industrial countries. The international comparisons show what part of U.S. trends are common to all advanced economies, such as the slowing of productivity growth, and suggest what trends may be unique to our own particular culture, such as the dramatic increase in violent crimes.

The evidence he amasses to describe the underlying tectonics of American society comes from a wealth of research and statistics. He is, however, not at the mercy of their inadequacies. Bok knows the weaknesses of both, and sifts the evidence for his conclusions. He is quick to point out when the research is equivocal and the data inadequate. This caution increases his credibility for the conclusions he does feel confident in making.

Bok's analysis shows that the United States has been making more progress than many people realize. Progress, however, has noticeably slowed in the last two decades, and compared with other countries, we are not making enough improvement. For instance, educational achievement in the United States is not as bad as people say, and is actually improving—but not as fast as in other countries. Similarly, poverty in the United States has actually decreased significantly since the 1960s. And although the poor in the United States have less income than in other countries, they are not necessarily consuming less, and therefore may not be more deprived. In race relations we've made more progress than is generally believed, but the easy gains may have already been made. And in this area, we have no easy models that can be applied from other countries.

What slowly emerges from the tapestry of data and research that Bok weaves is a wealthy nation that is under-

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achieving. And the question of why the wealthiest country in history is not making more progress drives this book.

Bok ultimately concludes that our successes as a society are in areas in which we depend on individual rather than government initiative, such as scientific research at universities and private enterprise. Unfortunately, many of society's needs cannot be solved by individuals alone. But when the U.S. government becomes more proactive, Bok notes, it does less well than in other countries. For instance, the U.S. spends more than most countries on education and more than all on health care, yet our systems generate greater resentment, are slow and more expensive, and produce no better results than those in Europe.

THE STATE OF THE NATION
By Derek Bok
Harvard University Press, $35

Since WWII the U.S. courts have strengthened the commitment to individual freedoms over commitment to community. But this has come at the same time as increasing government assumption of social responsibility for vulnerable populations and a perceived decline in personal responsibility, especially within the family. The lack of familial commitment has helped swell the welfare rolls with fatherless children. And government poverty programs have been a poor substitute for two-parent families. We have had a failure of imagination about how to support the deserving poor kids without supporting their undeserving parents.

Ironically, when the government does become more proactive, it does not systematically evaluate its own programs. We, therefore, rarely learn from either our successes or failures. We don't take advantage of the natural experiments our federal system generates when states take the initiatives to experiment with new programs. An important federal role should be to provide impartial evaluation of state and local experiments and then to disseminate the results. But when the feds can't even evaluate themselves, they are hardly credible evaluators for others. Nevertheless, the new welfare reform provisions mandate that the federal government evaluate the state programs. The real test will not be whether the feds can give good news to Congress and the states on their reforms; it will be whether they can give bad news.

Another issue that Bok's analysis implicitly raises, but does not explicitly address, is why, when our social science research is as good or better than any in the world, our social policies are so dyslexic. Bok's analysis of science and technology points out that the U.S. government supports scientific research at similar levels as other industrial countries. But the United States has more scientists, including social scientists and engineers, in the labor force than any other country except Japan. Why then isn't the best social science research leading to the best social policies among industrial countries?

One reason is that no other industrial country has a society as complex as the United States. The country is growing at twice the rate of most developed nations, we have considerably more immigration than other countries, and we are becoming more diverse more rapidly. In the 21st century, the United States is going to have a population with no ethnic group in the majority. But while rapid changes and increasing diversity help explain why we face complex social challenges, they are no excuse for chronic underachievement.

Bok concludes that the state of the nation is more complicated, but less bleak, than people assume. The U.S. is still the most productive country in the world, but we require improvements in education, training, and investment to continue making progress. And those improvements cannot be done well without efficient government policies. That's why his next book will be on governance. Stay tuned.

BARBARA BOYLE TORREY *is executive director of the Commission on Behavioral and Social Science and Education at the National Research Council.*

Religious Disobedience

by Colman McCarthy

In the early church, followers of Rabbi Christ the lawbreaker were known not as Christians—originally a term of derision first used in 70 A.D.—but as rebels who practiced nonviolence and the compassionate communism of sharing wealth according to need. Imprisonment was often the price for trying to recruit others to the creed. A major testimony of faith was one's jail record.

These days, Christians are still being arrested or jailed, but for dif-

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ferent reasons: preachers for money fraud, anti-abortionists for killing doctors, and a Catholic bishop in Minnesota for drunk driving.

For a reminder that the standards of the early church have not entirely vanished, Murray Polner and Jim O'Grady offer Daniel and Philip Berrigan. The authors are seasoned journalists who interviewed broadly for the book, are sensitive to spiritual nuances usually lost on the secular media, and who artfully tell the stories of two of this century's most ardent keepers of the faith and sharers of the peace.

DISARMED AND DANGEROUS: The Radical Lives and Times of Daniel and Philip Berrigan
By Murray Polner and Jim O'Grady
Basic Books, $30

Daniel, now 75, and Philip, 73, are described as leaders of the "Catholic Resistance," a band of dissenters from conventional state and church pieties. They continue "to act with a disciplined nonviolence—even though they are bound to exchange a sizable chunk of their freedom for deeds leaving little discernible trace on the institutions they would subvert."

Of the two, Daniel is better known: a poet and playwright; a writer of rich, metaphorical prose; a teacher taking stints in classrooms from Colorado College to Loyola University in New Orleans; and a priest, steadfast in the spiritual service he began as an 18-year-old seminarian in 1939. The future resister of Caesar's wars heartily embraced the cassocked military regime of Rome's chosen, the Jesuits. Ordained in 1952 by Richard Cardinal Cushing, the new Father Berrigan found himself on a brief assignment in Europe, including a military chaplaincy in West Germany. Up through the early '60s, he taught in high school and college, sending students into Catholic working houses of hospitality in hopes of radicalizing them to side with the ideals of nonviolence and with the poor, as he himself one day would.

Philip Berrigan, a former World War II soldier, joined the Josephites in 1950 after graduating from the College of the Holy Cross. As a Josephite priest in an order founded as a "Negro apostolate," Berrigan was sent into black parishes in Washington, Baltimore, and New Orleans. He roiled the waters by applying the teachings of the gospels to the lives of the poor he was serving. Like Martin Luther King Jr., he tied together the excesses of the U.S. war machine to the deprivations inflicted on the destitute at home.

Both brothers were directed by superiors in their orders to shut up when tempted to speak out on war and racism. Instead, they spoke louder—and not only with words. The same spirit of defiance led to felony convictions and imprisonment, on charges ranging from raiding draft board files to damaging weaponry.

Was it all futile? The authors think not: "Above all else, conscience and protest did count, and millions of others opposed to the pointless and bloody [Vietnam] war were right. Had there been no demonstrations, no draft board raids, no campus upheavals, no alternative weeklies, no centrist opposition, and yes, no Dan or Phil Berrigan and the Catholic Left, there is no telling when it might have ended, how many more Asians and Americans would have died, and even whether nuclear weapons might have been used."

Polner and O'Grady are thorough but not exhaustive biographers. This is not Taylor Branch on Martin Luther King Jr., nor David Garrow on Lyndon Johnson. The authors offer nothing on the debate over nonviolence vs. violence between Dan Berrigan and Ernesto Cardenal of Nicaragua. And not much is here on the brothers' work in classrooms, though both were teachers who instructed kids to skip writing obtuse papers on theology and go find God in the lives of poor people.

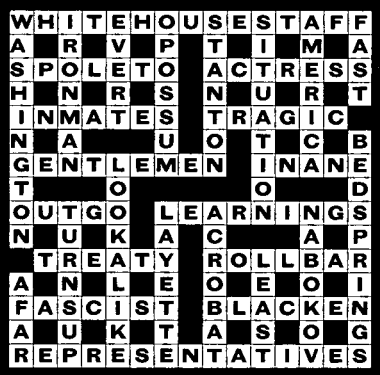
Still, compensations for these omissions abound. One telling anecdote is related by John Dear, a young Jesuit in the Berrigan mold who was recently imprisoned in North Carolina with Phil Berrigan for damaging a fighter plane. He had been sent to Georgetown University, the Jesuit school that has happily provided professorial roosts to Jeanne Kirkpatrick, Henry Kissinger, and Madeleine Albright—advocates all of violence via U.S. military death-dealing. Dear recalls: "I talked to the Georgetown rector about doing civil disobedience and he said, 'I know that Dan Berrigan will be the only Jesuit remembered in U.S. history in the 20th century. He is the epitome of the American Jesuit. But the last thing I need is another Dan Berrigan at Georgetown. Don't do it.'"

The authors provide an 18-page bibliography which includes the 31 books by Daniel Berrigan and the eight by Philip. Daniel is currently part of a Jesuit community in Manhattan. Philip, who has spent a total of 15 years in prison for violating unjust laws that sanction killing, lives in Baltimore with his wife. The brothers, conclude Polner and O'Grady, "honored the country and the world in this, the bloodiest century in human history, by their moral balance, in public and private."

COLMAN MCCARTHY *is the director of the Center for Teaching Peace, and a volunteer high school teacher.*

We are sorry to announce that the Political Puzzle will no longer be appearing in the *Monthly*. Many thanks to John Barclay for his years of challenging readers' brain power.

Answers to last month's puzzle



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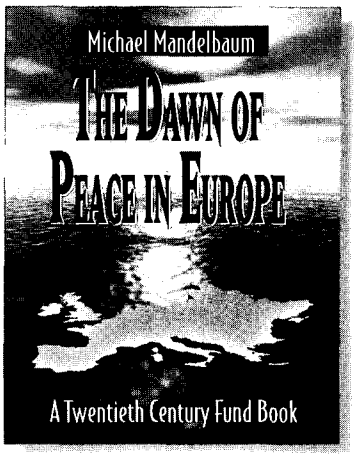

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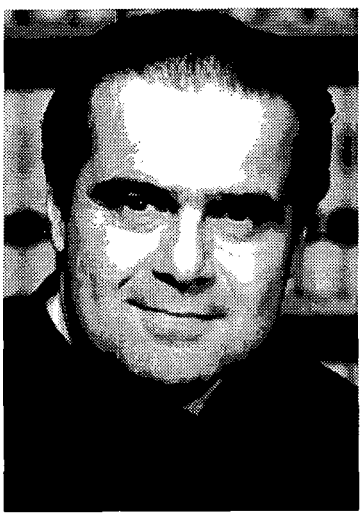

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Antonin Scalia

Edited by Amy Gutmann

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